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## EUROPE'S BUSINESS NEWSPAPER FINANCIALT Thursday July 28 1988 No.30,601 D 8523 A



#### World News

## **Crowds** greet Slovenian secret trial defendents

Three Slovenian journalists and a soldier were freed pend-ing appeal against sentences of up to four years' imprison-ment for leaking military

They were greeted by about 10,000 supporters as they left the military court in Ljubljana, at the end of a secrets case which has raised sensitive questions about the relationship between the liberal Slove-nian leadership and the Yugoslav army. in a separate development.

Serbs in Kosovo said they would march on Belgrade, where the Communist Party Central Committee is due to discuss Serbian control over the province.

#### Sihanouk to the fore

The Kampuchea peace talks in Indonesia faltered in their third day, over how to stop the Khmer Rouge sweeping back to power in Phnom Penh as Vietnam withdraws its forces. Norodom Sihanouk, taking an increasingly active role in the talks, dropped his demand for an international peace force to underpin a future settlement. Page 3

#### UN progress on Guif

UN Secretary-General Javier Perez de Cuellar held two meetings with Iraqi Foreign Minister Tareq Aziz. He said he would raise the question of Western hostages in Leba-non during continuing talks to end the Gulf war. Page 12

## France backs Bonn

France backed a West German call to extend the Vienna Conference on Security and Co-op-eration in Europe. Page 2

## Burma head of state Sein Lwin, elected chairman of Burma's ruling party on Tuesday, also became head of state. Page 3

Soviet hostage talks Eritrean rebels said Moscow bad agreed to direct talks

about two Soviet colonels and a lieutenant taken hostage dur-

## **Thatcher robustly attacks Business Summary** Ford profits **Delors' European vision**

By Peter Riddell, Political Editor, in London

MRS MARGARET Thatcher MRS MARGARET Inather yesterday donned the mantle of the late General Charles de Gaulle to attack the call by Mr Jacques Delors, European Commission President, for a shift of decision-making authority from national governments to the Community

of \$1.66bn, up 11 per cent, despite a sharp decline in earn-ings from the US market. World sales rose 15 per cent eraments to the Community and the Strasbourg parliament. The British Prime Minister used her strongest language yet to criticise the recent com-ment by Mr Delors that 30 per cent of national decisions by EC members would be taken on a Europe-wide basis within a decide to \$22.4bn, though in volume terms growth was slower. Page

COFFEE prices tumbled in London in spite of the Internaa decade. tional Coffee Organisation's announcement of the second

Nor, in London She said Mr Delors had been "wrong" and "over the top." She thought his comments "quite absurd" because they frightened people. He had said things to members of the Euro-pean Parliament "more extrame than he would say to me." me.

Mrs Thatcher was at her most robust in offering her view of Britain's place in Europe during a 50-minute interview on HBC radio.

The Prime Minister said that with regard to Europe she "was really very much with de Gamile, that this is a Europe of

Dollar hit by signs of

separate countries working together." She argued that it was not possible to have a United States of Europe because the nations of the EC had different histories and lan-

gnages. Her central theme was that Britain was taking a practical view of developments in the Community rather than the "airy fairy" ideas favoured by other countries. She claim that some advocates of close integration had not thought

through its implications. Mrs Thatcher argued that Continued on Page 12

# 1.

Thatcher: a Europe of separate countries working together

## Nomura takes stake in Wall St merger specialist

NOMURA Securities, Japan's higgest stockbroker, is paying \$100m for a 20 per cent stake in Wasserstein Perella, the Wall Street mergers and acquisi-tions company establised in February by Mr Joseph Perella. and Mr Bruce Wasserstein, two leading US investment bank-ers.

The venture, announced yes-teriay, brings together a topJa-panese financial concern with 10,000 employees and a siz-month-old Wall Street "bou-tique" with 40 professional investment binkers in Tokyo was to congratulate Mr Perella and his partner on securing a

It signals that Japanese, financial groups are once again seeking corporate investments abroad after a lull caused by American complaints about the speed of the Japanese expansion into US financial markets

ing an operating agreement together on mergers and acqui-sitions business between Japanese and US and European companies. Nomina's holding will be in the form of new equity, valuing Wasserstein Perella at \$500m.

where they had been joint heads of mergers and acquisi-tions, after a boardroom row. They were quickly joined by several senior corporate finance specialists at First Bos-

Patents row leads US into bitter clash with Brazil

#### By Ivo Dawney in Rio de Janeiro

THE LATEST commercial. clash between Brazil and the US looks set to become bitterly

connesten. The row, over Brazil's refusal to pay for patents on pharmacentical formulas and processes, has surfaced rapidly and a genuine sense of righ-teous indignation suffuses both size.

oth sides. It is a worrying sign. Past disputes - most recently a Long drawn out struggle over Brazil's protected computer market which has just been raised under the General Agreement on Tariffs and Trade – came with plenty of warning before open hostili-ties and threats of reprisals

THE STATES OF THE STATES

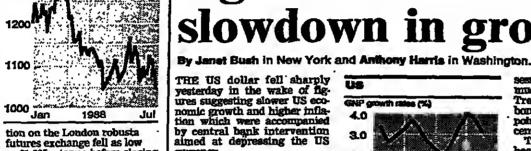
ties and threats of regrissle emerged. From the US's viewpoint, the injustice is clear cut and rooted in history. Indeed, it is surprising that it did not come to the surface long ago. In 1945. Brakel blithely ignored the emergeous research and developping costs of creating new, madicines by abalishing drug patent heuter-tion. It compounded the prob-lem in 1969 by ending the lis-hility on its demestic industry to pay for patented pharma-

to pay for patented pharms contical processes. contical processes. The US first raised serious objections 1984, retaining to the issue in 1986 but only becoming insistent the follow-

ng year. In June of last year the pow-erful US Pharmacoutical Man-macturers' Association filed and won an investigation and won an investigation under Section 301 of the Trade Bill, which ended in last week's decision by President Ronald Reagan to authorise the imposition of punitive tar-iffs on an unspecified quantity of Beauties exacts. of Brazillan exports.

of Brazilian exports. , "We do not want to have to retaliate, but there is a point, of principle at stake here," one US official said this week. "What is the point of our industry spending millions in research and development if it

can't roup the rowards?" To the Brazilians, the US action looks like using an Nonuca rejected suggestions that it was paying too much for Wasserstein Perella. Mr. Yochi Fukushima, an execuatom bomb to crack a pearati, They point out that as much as iso per cent of the \$1.4m without where a state of the \$1.4m



at record

quarter

\$1.66bn for

FORD, second biggest US motor manufacturer, reported

record second-quarter profits

cut in its world export quota in two weeks. The second posi-

2nd Position Futures (E per 10008)

Coffee

1300

1100

futures exchange fell as low as £1,035 a tonne before closing £37 down at a three month low of £1,046 a tonne. Page 24

NWA, holding company for Northwest Airlines of the US, blamed higher costs including landing fees and wages for a fail in second quarter net income from \$50.6m to \$28.3m.

3.1 per cent in the three months to June. Inflation, as measured by the fixed weight GNP price index, rose to 4.7 per cent from 3.5 per cent in the first three months. Yesterday's statistics appear to show that growth is slowing slightly and is increasingly driven by the improving trade balance and by sharply rising business investment. They also CONTROL DATA, US computer group which last week said it would shut five plants and lay off 2,500 workers for one week, warned that further workforce reductions, plant closures and spending freezes were possible. Page 14 ervices.

USX, US steel and energy group, lifted second-quarter income 29 per cent as a surge in profits from steelmaking made up for sluggish oil and gas markets. Page 14 trol

The growth of business stocke appears to have returned to normal rates. HEIDELBERGER Druckmaschinen of West Germany, world's biggest manufacturer high in the previous six months and had stoused some fears of an inventory-led slow-

down in the economy.

The preliminary growth esti-mates are subject to heavy

revision and yesterday's announcement also contained

a further downward revision in

the estimates for the first three

THE EUROPEAN Commission

is investigating allegations

According to preliminary US American gross national prod-uct grew at an annual rate of S.1 per cent in the three 1.0 Dollar 1.90 1,80 1,70 1,60

US

4.0

3.0

business investment. They also show a rise in inflation, mainly in consumer non-durables and

None the less, Mr Beryl Sprinkel, chief White Honse economist, said the acceleration in inflation was a passing phenomenon and that US infla-

By Kevin Brown, Transport Correspondent, in London

tion would remain under con-

20 1985 86 87 painst the D-Mark (DM/S) 1987 1988

phtlw

DM1.8485.

CAN'T arouth rates (%)

months of the year. Growth then was originally put at an annual rate of 2.3 per put at an annual rate of 2.3 per cent, but was subsequently revised nowards to 3.9 per cent, provoking widespread fears of overheating. The fig-ures have subsequently, been revised downwards again in two modest stars, first to 3.6 and now to 3.4 per cent. The dollar dropped in New York trading to lows of Y131.40 and DML.8385, some Y2 and nearly 4 pfennigs lower than peaks earlier in the day. By midsession, it had recovered elightly to Y131.65 and

Post offices accused of bid to

block express mail competition

operators before being distrib-

uted either directly, or through

a third country's post office. The operations are used

principally by commercial organisations making large regular abipments of docu-ments, such as bank state-

ments, prospectuses and corpo-rate reports. The private companies claim their speci-alised services are quicker and cheaper than the normal post

office system. The higgest European flows

of such mail are from the UK through The Netherlands, Bel-

glum, Denmark and Luxem-bourg. The market is thought to be worth about £50m

(\$85.5m) a year and growing annually by up to 100 per cent. The conference claims the post offices of the UK, Bal-

gium, Finland, France, The Netherlands, Sweden and Swit-

zerland have adjusted their price structures for interna-

higher US inflation, slowdown in growth session, bond prices stood as much as % point lower but the Treasury's benchmark long bond issue was quoted only % point lower, yielding 9.20 per

The equity market, which has been oblivious to any news this week, whether economic

or corporate, remained stag-nant in, very low volume. At midsession yesterday, the Dow. Jones industrial average was quoted 0.71 point lower at 2.073.25.

The main factor behind the dollar's fall seems to have been a rise in West German interest rates and concerted Bundes-bank and Federal Reserve

intervention. Dealers attributed the dol-lar's fall to the fact that it had been pushed to unjustified peaks before the GNP figures were announced. When the growth figures came in alightly

growin ngures came in anguly lower than inflated expecta-tions, profit taking set in. Rahh Afkins writes: The US statistics and co-ordinated intervention by contral banks brought sharp losses for the dollar against other major cur-

rencies in European trading. In active trading in London, the dollar ended alightly more the D-Mark compared with the previous close but almost three pfennigs below its day's peak. Securities markets did not react to the GNP figures, There were fears of a rise in the rate of inflation but little which confirm other recent which contrin other recent evidence about the economy. US Treasury bonds, which are most sensitive to any evidence of higher inflation and to the dollar, fell only slightly after they were announced. By midspeculation about a rise in US interest rates to underpin the currency and contain cost pres-UK trade figures, Page 6

tional mail-known as terminal

dues - to penalise the privato

It says that some post offices

"appear to have been induced to subscribe to an agreement contrary to their own best interests by threats of retalia-

The conference also claims

that the UK and West German

post offices have invoked Article 23 of the Universal

Postal Union (UPU) convention. Mr Cedric Briscoe, chairman

of the posts commission of the European Conference of Postal

Administrations (CEPT), said the post offices would defend

their revised pricing system which was "not anti-competi-

tive in any way." The CEPT has not yet formu-

lated a response to the second part of the complaint. Networking link, Page 12

Telecommunications

carriers.

and



valuation of \$500m for their

group. US bankers also suggested that Nomura, the managers of which have a somewhat burea-cratic reputation, might run into trouble working with two highly entrepreneurial Ameri-cans. One said: "They have got the tiger by the tail. Can they, hang on?"

hang on?" Many Japanese financial companies have had cultural difficulties in managing spe-cialist teams in New York and London. Defections have been common among Western staff minappy with their Japanese managers. hang on? The two companies are sign-

Wasserstein Perella was established when its two epon-ymous founders quit First Bas-ton, the US investment house

g clashes with Soviet-backed Ethiopian forces in March.

#### **US takes Armenian**

Paruyr Ayrikyan, an Armenian nationalist expelled from the Soviet Union for his part in the Nagorno-Karabakh dispute, was granted permission to settle in the US. Page 2

### Grosz meets Reagan

**Hungarian Prime Minister** Karoly Grosz, the first Soviet bloc leader to visit the US for a decade, met President Ronald Reagan. Page 4

Korea taiks possible

The South Korean Parliament provisionally accepted a North Korean proposal for parliamen-tary talks covering the Olym-Games, due to open in Seoul on September 17.

#### **Discord in Vanuatu**

Political tensions rose in the Pacific island state of Vanuatu as Prime Minister Walter Lini told President George Sokomanu to keep out of a power struggle in the roling party.

#### **US covert role**

A US Administration official confirmed that President Reagan had authorised covert action against the Government of General Manuel Antonio Norlega in Panama. Page 4

#### Hayden job offer

Australian Foreign Minister Bill Hayden was offered the job of Governor-General

MARKETS

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close 103

Web Press Group of the US for \$300m in its first foreign acquisition. Page 19

FRENCH Government named Jean Farge, former minister in the government of Raymond Barre, to head the Commission des Operations de Bourse, the stock market regulatory authority. Page 13

NESTLE, Swiss food group which recently ecquired Rown-tree of the UK and Buttoni of Italy, expects 1988 net profits to be slightly higher than the SFrI.830n (\$1.18bn) it reported last year. Page 15

IFI, holding company of the Agnelli family, reported a 3.8 per cent increase in profits to L90.8ba (\$66.2m) for the year to end March. Page 15

made by the express mail industry that eight national post office administrations have combined to eliminate ANGLO-AMERICAN, South Africa's biggest mining group, is set to end its involvement in Australian mining with the private competition in the sale of Anglo American Pacific to Poseidon, the Adelaidegrowing international bulk mail sector. based resources group. Page

The investigation follows a formal complaint to the Commission by the International Express Carriers Conference, **HUNGARIAN** individuals as well as foreign companies and investors will be allowed to the representative body of lead-ing international express mail operators such as DHL, Federal invest on Eastern Europe's only stock exchange when it opens in Budapest next year. Express and TNT Skypac. The conference accuses the post offices of a conspiracy to distort competition through an illegal price fixing agreement, in breach of the competition the official Hungarian news agency reported. Page 17 SOUTH KOREAN business

leaders are intensifying their campaign against government plans for financial liberalisa-tion because they fear e sharp increase in the cost of borrow ing will result. Page 17

#### UN debts mount in lin peacekeeping efforts As the mission under w Secreta Javier I de Cual to keep financi out of bi early as Page 12 Agriculture Arts-Revie World G Commercia 13,13 11.14 Commodil 13,1 Lombard dhorial C Maneg

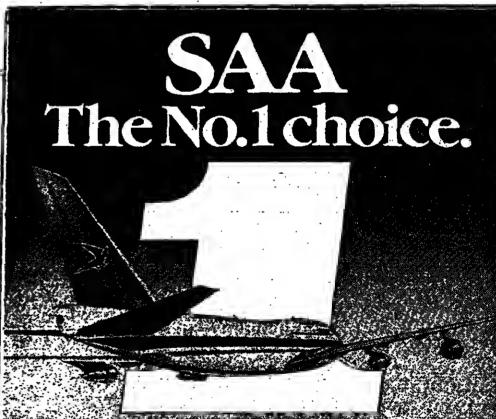
ne with	Human rights Moscow no longer calls the
UN's peace	Editorial comment: The boom goes on; Petrol retailing
n to Tehran gets way,	Economic viewpoints house prices and inter-
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24 	Euro-options
1000	Gold         26         Stock Markets         33.36           Intil Capital Markets         23         -Wall Street         35.36           Lotters         11         -London         36.32

Mr Yoshihisa Tabuchi, presi-dent and chief executive officer of Nomura, said the tie-up

tive vice-president of Nomura, said once the group had ket is supplied by multination-als, 35 per cent of it by US decided on a tie-up it had to be with a "top tier" company. Wasserstein Perella clearly fell

The first reaction among US

Into the top tier. Last year, First Boston was involved in 215 deals worth \$58bn. Since its foundation. Wasserstein Perella had Only 10 per cent of the nationally-owned sector is producing patented drugs, and Brazilian isborstories in most cases do not have the capacity to replicate the miracles of Continued on Page 12 advised on transactions worth



\$19hn

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York: London: \$433.0

STOCK MENCES

## visions of articles 85 and 86 of the Treaty of Rome. The complaint relates to pri-vate remail operations, under which bulk mail shipments are collected and sorted by private CONTENTS

## EUROPEAN NEWS

## French join Bonn call to extend CSCE

#### By Judy Dempsey in Vienna

calls for prolongation into next month of the current round of East-West talks in Vienna cansed fresh controversy among Nato countries yester-

day. At a meeting of Nato delega-tions which failed to reach agreement, the French delega-tion came out strongly on the side of extending the negotiations, arguing that the Confer-ence on Security and Co-opera-tion in Europe (CSCE) should for an early start to the procontinue right through August posed Conventional Stability without any summer recess. Before Bonn proposed a prolon-

WEST GERMANY'S strident gation, the talks had been expected to go into recess at the end of this week.

French diplomats suggested thet unless the CSCE talks, which cover arms, human rights and economic cooperation, reached agreement by delegation. Diplomats from the Netherlands repeated the view, October, there would be little hope of a major new round of European disarmament talks which is also strongly held by starting this year.

US and Canada, that the CSCE cannot conclude its work and agree on a document unless there was a "balanced outcome", in other words progress on human rights as well as arms and economic issues.

Agreement on human rights is being held up by Romania's Pact, Last week, West German officials were suggesting prirefusal to make any promises in this field, and there is no vately that the CST could begin as early as October. The arguments voiced by French officials yesterday are sign an early solution to that problem.

US diplomats have said they reported to have provoked a have no instructions from sharp riposte from the Dutch Washington to work beyond this week.

Mr Hans-Dietrich Genscher, the West German foreign min-ister will meet his Soviet counterpart, Mr Eduard Shevardnadze, in Moscow tomorrow. He has argued that the CSCE should be prolonged at least for the duration of his Soviet

trip, so that any agreement in Moscow can be translated into progress at the Vienna talks Yesterday afternoon, at a long-drawn out meeting of all

as participants, no decision could reached about whether to prolong the talks. Warsaw Pact diplomats called on the West to make up its mind how long, if at all, the session should be extended.

The 12 nentral and nonaligned countries that take part in the CSCE are expected to put compromise proposals on the duration of the talks early today.

## EC aims to switch rural activity away from food output

#### By David Buchan in Brussels

THE European Commission yesterday unvelled its new pol-icy for Europe's countryside, designed to give the rural pop-ulation a livelihood less from food producing and more from other activities such as light industry and forestry. Launching the Commission's

discussion paper on the future of rural society, Mr Frans Andriessen, the farm Commissioner, said the overall aim was to use farming "as infra-structure for other economic

activities". The paper responds to the desire of the Commission and desire of the Commission and many members to undo some of the environmental damage done by the Common Agricul-tural Policy and provide alter-native work for farmers possi-bly squeezed out of jobs by recent EC reforms. It also reflects the worry of Mr Jac-ques Delors, the Commission president, about "descrifica-tion" of many country areas. But the Commission's comwhich would finance a major chunk of any new programme of rural revitalisation, are due to double from Eca 6.7m last year to Ecu 13.50m in 1983. Mr Grigoris Varifs, the Greek Commissioner, said yes-terday the Brussels executive had finally approved criteris. for the use of these funds. He promised that payments proce-dures would be simplified and better adapted to local needs. The overall level of EC struc-tural economic assistance up to 1992 was decided last Febru-ary by leaders of the 12 mem-ber-states, who also decided to associate the European Parlia-ment with their reforms in an "inter-institutional agree-But the Commission's communication to the SC council of Ministers on what it grandli-oquently calls Le Monde Rural is notably short on detail. Indeed the only specifics yes-terday on Brussels' new approach to spriculture came approach to agriculture came in a separate communication to the EC council on forestry. This proposes that EC spend-ing on forestry should be more than doubled to ECU 800m over the next four years, to encourage the planting of more trees and development of the wood products industry. A side effect, Mr Andriessen said, might be reduced wood prod-

side effect. Mr Andriessen said, might be reduced wood prod-nct imports from Scandinavia. If EC governments endorsed the welter of Commission sug-gestions for environmental, energy-use, industrial reloca-tion, retraining and other rural development, policies, the cost of the new Monde Rural approach might approach Ecn approach might approach Ecu 500m next year, Mr Andriessen said. This could be paid out of EC regional and agricultural differences expected, the Com-munity might this time acta-ally get a budget on time.

## W German bank chief opposes rates rise By Andrew Flatier in Frankfurt

THE HEAD of Commerzbank.

"structural" funds, plus news Community borrowing via the European Investment Bank. Taken together with current moves to encourage farmers to retire early and plant less, the Commission is moving towards an agricultural palicy that begins to separate the level of income support for European farmers from the amount of food they produce. THE HEAD of Commerzbank, Mr Walter Seipp, said yestan-day he saw no need for further rises in West German interest rates for the time being. Speaking the day before the Bundesbank's last council, meeting before its month-long summer break, he said there was 'ne convincing reason' by raise the Lombard rate, now at farmers from the smount of food they produce. To the extent they believe these policies will actually work, the EC's negotiating partners in the Gatt trade talks — particularly the US — are likely to welcome the shift. Total EC structural funds, which would finance a major. raise the Lombard rate, now at

raise the Lombard rate, now at 4.5 per cent, as speculated in-the past few days. The Bundesbank had been, right to raise the rate on sect-rities repurchase deals. ("repos") for commercial hanks, to 4 per cent in the past few weeks. The central bank did this to try to reverse the dol-

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to 4 per cent in the past few weeks. The central bank did this to try to reverse the dol-lar's rise, limit the growth in money supply and ward off possible future inflation. Mr Seipp, speaking at a news conference on the bank's half-yearly results, said there weres no pressing economic reasons for a continued rise in interest rates either for the rest of this year or in 1968. The Bundesbank's consider-able intervention to try to pre-vent a further fall in the D-Mark - totalling some \$80n since late May - would lead to, a reduction in money supply growth, he said. So far this year, the M3 aggregate has been growing at around 7.5 per cent target range set by the Bundesbank. The dollar's fall yesterday after release of the US gross-national product figures for the second quarter hat probably, reduced pressure on the Bund-esbank to act at today's meet-ing, some mometary economists said.

The first result of this agree-ment showed up this week in an extraordinarily harmonious meeting on the 1989 budget between national budget minis-tars and a delegation of the Parliament, led by its presi-dent, Lord Phumb. Budget ministers approved a 1989 draft budget of Ecu 46bn, only marginally different from Commission proposals. It will get a first Parliamen-tary reading in December. With few Council-Parliament differences expected, the Com-However, they pointed out that money market rates were now at around the same level

now at around the same level as the Lombard emergency. funding rates. Thus, without a further injection of liquidity into the market, the Lombard rate would need to be increased. There was, therefore, still a COSI chance that the Bundes.

50-50 chance that the Bundesthe Lombard rate to 5 per cent at today's meeting, which will be presided over by Mr Helmut Schlesinger, the vice president.

## **Recovery** seen in Irish investment By Kleran Cooke in Dublin, **Development Authority.**

## E Europeans resist Moscow urgings on human rights

By Judy Dempsey in Vienna

A SUCCESSFUL ontcome to the current East-West talks in Vienna, which is a precondi-tion for fresh negotiations on disarmament in Europe, can only be reached if the two blocs can reacb agreement about human rights. Whether that consensus can

whether that consensus can be found hinges in turn on a wide open question: can the Soviet Union persuade its allies to accept new undertakings on buman rights and humanitar-ian issues?

At previous East-West conferences. Moscow had little difficulty in influencing its part-ners, with the exception of Romania. But that appears no longer to be true: in fact, the Vienna review meeting of the Vienna review meeting of the Conference on Security and Co-operation in Europe (CSCE) is becoming a testing ground to see how far individual East European countries support Mr Mikhail Gorbachev's policies of ments on human rights. On Monday, in a speech which was a signal both to Moscow and the West of the potential trouble ahead, Mr Dumitru Aninoui, Bucharest's ambassa-dor, said: "It would be an illnglasnost and perestroika.

When the current meeting sion to believe thet an early opened 20 months ago. the solution could be

French poll

spending

criticised

By Paul Betts in Paris

FRANCE'S constitutional watchdog wants the Govern-ment to tighten recent legisla-tion regulating political par-tles' finances and election campaign spending.

The Constitutional Council is especially critical of the fin-

ancing rules for presidential

election campaigns which, it

says, are looser than for legis-lative ones. In particular, it

wants restrictions on foreign campaign contributions, either from foreign countries or indi-viduals, for legislative elec-tions extended to presidential

It has not indicated whether

campaigns.

Soviet delegation said the Warsaw Pact was prepared to expand on the human rights Romanian interests." commitments made in the 1975 Helsinki Final Act, signed by the US, Canada and 33 European states.

participants in the CSCE.

which is impatient for a con-clusion, would like to believe. But Romania is not alone in Bnt several Warsaw Pact countries have made it known its intransigence. Because it openly rejects new commit-ments on buman rights, it has thet they object to many of the proposals on human rights set out last May in a draft docuoften become a convenient shield behind which other East

ment drawn up by the 12 neu-tral and non-aligned (NNA) European countries can hide. Bulgaria, for instance, is reluctant to make any under-takings on minority rights: it has been criticised for forcibly The country which most openly rejects the NNA paper is Romania. Its delegation last assimilating Turkish-speaking month made it plain that it Moslems would not accept new commit-ments on human rights. On

Other East European coun-tries are also dragging their feet. The Czechoslovaks show little support for greater rell-gious freedoms and easier travel regulations. The East Germans oppose abolishing the requirement that visitors exchange a minimum amount of hard currency.

achieved . . . while ignoring At the other extreme, in the vanguard of the "moderate" wing of the Warsaw Pact, are Poland and Hungary. Polish His speech suggested that prospects for a final document are not as optimistic as Bonn, and Hungarian diplomats have no besitation about saying that they accept the NNA paper as it stands; but their voices are drowned by the apparent rigid-

ity of their colleagues. Nowbere was this more noticeable than at the recent meeting of Warsaw Pact lead-ers in Poland. The Poles and Hungarians apparently argued for a more comphrehensive communique which would have placed greater emphasis on human rights.

The Warsaw communique did refer to a "balanced out-come", borrowing Western jar-gon for parallel progress on arms, economic co-operation and buman rights. But it fell short of the hopes of Warsaw and Budapest

"Why is it that we always have to lower our expectations in order to reach a consensus

gations and arrests should be thrown open to the public.

democratic control would be

antonomous provinces with

Serbia, Kosovo and Vojvodina.

The mission seems to be part of his project of seeking to unify the Socialist and Com-

munist parties with the goal of forming a coalitica Differences inside CGIL over

the Flat deal have tended to run along the lines of these two parties. Thus, Mr Crani's

unusually formal meetings with the labour leaders could steal the clothes of those Com-

munist Party officials who are

traditionally associated with

on a much lower level with the allies?" a Hungarian diplomat asked Vienna has become the city where Mr Gorbachev confronts

his own paradox. In Warsaw earlier this month, he said there was no one single model towards attaining socialism. The behav-lour of certain East European delocations of the Marma delegations at the Vienna meeting suggests they are tak-ing him literally.

The question is whether Moscow can, or wants to, exer-cise the necessary influence on its allies to achieve a conclud-

ing CSOE document. The signals are mixed: part of the Soviet delegation is of the old conservative school and will work hard to dilute the NNA paper. Other Soviet diplomats have privately asked Western diplomats to accept Soviet amendments to that NNA paper in order to make it acceptable to the East bloc.

Danish deficit on current account shrinks By Hilary Barnes In

here but this was cantened out by a DKr7bn deficit arising from interest payments and unflateral transfers abroad. Merchandise export income increased by 8 per cent to DKr45.3hn, while imports rose

Copenhagen

Such a proposal would undermine the power of the military courts and of the army. But more importantly, of 1983, according to official fig-ures. The DKr1.7bn (£140m) shortfall compared with a defi-

by 1 per cent to DKr41.6bt. The current account deficit in 1987 totalled DKr20.1bn. The

DENMARK'S FIRST-quarter current account deficit on the balance of payments was the lowest since the third quarter

hles but this was cancelled out

Belgian chemical concern warned about dumping

cit of DKr3.5hn in the first quarter of last year. There was surplus of DKr5.3hn in visibles and invisi-

By David Buchan A BELGIAN chemical

company has been given three." weeks by the European Com-mission to stop dumping on the Spaniah market or face a possible dumping daty from the Madrid Government, a Legally, dumping cases in intra-Community trade-only occur during the transitional periods for new members like

separate market from the rest of the EC. DCB, a large Belgian chemi

weeks by the European Com-mission to stop dumping on the Spanish market or face a possible dumping daty from the Machid Government.

inter-institutional agree-

The first result of this agree-

INVESTMENT IN the Trish economy appears to be picking up, according to the Industrial

Mr Padraic White, the IDA's

exercised over civil courts. Greater independence for the Slovenian judiciary would run in the opposite direction to pro-posals for increased centralisa-tion being voiced elsewhere Flans are on the table for a strengthening of the power of federal authorities in Belgrade

Far from reining in the republic's pluralism, which is widely resented by Servia and over the whole country, and for boosting the authority of Serbian leaders over two

makes of the sentences ~ some Yugoslav journalists say that the short sentences indi-

# By Judy Dempsey

THE EMOTIONAL scenes has prospered. He has devel-oped his own variant of Com-munist ideology, tailored to a Westward-looking populace. The republic basks in an outside a court-room in Linbliana yesterday were a vivid illustration of the long-running tensions between liberal, West-ern-oriented Slovenia and other centres of power in Yugoslavia, including the army. As sentence was passed on, the four Slovene defendants, thousands waved the Slovenian flag and spread out a path of roses. An orchestra played

allowed to express their opin-The Slovenian Communist

Slovenian songs, and banners proclaiming "We don't accept the sentences" were unfolded. Whatever interpretation one Bosnia, the military trial has given Mr Kucan the cue to

## Trial exposes tensions between centres of power in Yugoslavia

atmosphere of pluralism. Several radical groups, ranging from Greens and movements for religious freedom to Lilit, a womens' club, and Magnus, a homosexual organisation, are

any of the nine candidates in the recent presidential election received financial support from abroad, but says that if the rule banning foreign contribntions was broken, candidates should face a stiff penalty. The council is also pressing

for tighter accounting controls on campaign spending. It sug-gests that all candidates should have to open specific bank or postal accounts to cover their campaign financing operations. Such accounts should follow a model set by the council and the accounts should be independently audited.

The former right-wing Govter, has begun an unusual round of meetings with the ernment introduced the new campaign financing legislation earlier this year after a wave of country's three main trade union confederations which, he politico-business scandals broke during the second half of last year. Many of these involved allegations of chan-The country's largest trade union, the CGIL, has become nelling of funds to political parties. estranged from the other two groups, the CISL and UIL, over the issue of the latest pay deal

However, the legislation. which broke new ground by regulating political party finan-cing for the first time, touched on several factors which have

continued to fuel controversy. Indeed, the publication last week by the official govern-ment journal of the campaign costs of each candidate in last spring's presidential election spring's presidential decident was greeted with considerable scepticism since the figures were provided by the candidates themselves.

These figures showed that President François Mitterrand spent nearly FFr100m (£9.3m), abont FFr4m more than Mr Jacques Chirac, his right-wing rival in the second round of the election who was generally thought to have spent much more than the Socialist candidate.

• France's visible trade deficit fell sharply on a seasonally adjusted basis in the first half to FFr9.1bn (£850m) from FFr19.2bn in the same period last year.

The latest figures also showed a reduction in last month's deficit to FFr900m compared with FFr1.4bn the month before and FFr3.9bn in June 1987.

Despite the reduction in the overall deficit, the French authorities continue to be worried by the deficit of industrial goods in the visible trade bal-

Mr Jean-Marie Rausch, the new Foreign Trade Minister, forecast this week an overall trade deficit of FFr25bn-FFr30bn for the whole of this year compared with a deficit of FFr31.4bn last year.

cate a retreat by the army from its original tough position against Slovenia - the widespread opposition to the trial reveals the sharp political dif-ferences between Slovenia and the other republics.

Under Mr Milan Kucan, head of the Slovenian Communist Party since 1986, the republic

By Alan Friedman in Milan

MR BETTINO CRAXI, the

leader of the Italian Socialist

Party and former Prime Minis-

says, are meant to help achieve

nnity among the divided

reopen the question of civilian court system. Apparently his aim is to

Craxi seeks to heal Italy's union rifts

at Fiat.

for 170,000 engineering workers

Last week it refused to sign

deal with Flat which would

provide a bonus roughly equiv-alent to a 5 per cent pay rise.

In the past few days a national

debate has been growing about the extent to which the deal,

has divided the unions. Mr Craxi has stressed that

he is not acting as a "peace-maker" and that his main pur-

pose is to exchange views on the Socialists' strategy.

that their autonomy be trimmed. The latest events in institutionalise a set of checks and balances on this politically Slovenia will place Mr Kucan more firmly than ever in the sensitive area. Last month the Slovenian interior secretary camp of those who favour continued or even increased decentralisation in Yugoslavia. proposed that the current police regulations for investi-

Leaders in those two prov-Government has forecast a definces are resisting suggestions icit for this year of about DKr16bn.

> Armenian rebel to settle in US

Paruyr Ayrikyan, an Armenian nationalist expelled from the Soviet Union, has turned up in Ethiopia and been granted a visa to settle in the US, the US embassy in Addis Ababa said

yesterday, Reuter reports. Mr Ayrikyan has been under guard at a botel in Addis Ababa, according to Mr. Sergei Grigoryants, a family friend and editor of the dissident journal Glasnost. He said the guards were withdrawn after Mr Ayrikyan threatened to go on hunger strike. Mr Ayrikyan was arrested in March after telling journalists abont demonstrations in

Armenia for unification with the Nagorno-Karabakh region of Azerbaijan.

choline chloride - 1,600 tonnes restrictions on their trade with the other member-states until the end of 1992, and therefore in 1987 - only constituted 10 per cent of its total sales of this constitute to some extent a product.

**Italian AIDS advertising** 

castigated by Vatican By Atan Friedman in Milan

A STORM was growing in Rome yesterday over the hal-ian Government's L20bn (£8.5m) anti-AIDS advertising campaign after a blistering attack by the Vatican. The Vatican criticism is

aimed at commercials appear-ing on both state and private television networks which point out to Italians that there is no cure for AIDS and it is therefore advisable to use con-

doms. L'Osservatore Romano, the newspaper of the Holy See, has . reacted to the campaign by,

repeating the Pope's line that the use of birth control methods such as the condom is "unacceptable". It said the anti-AIDS campaign contained a "perverse logic" of permis-siveness by suggesting the use

of condoms. While the Pope's press offi-cers were busy rejecting the anti-AIDS campaign, Mr Carlo Donat-Cattin, the Health Minister, was telling Parliament that the number of AIDS patients in light could reach 14,000 by next year, while hospitals were only equipped to handle 6,000.

managing director, said yester-day that Irish companies were being particularly positive about investment possibilities within the country. Lower interest rates, changes in the value of the punt against ster-ling, falling inflation and lower electricity prices had all helped change the economic climate. "There was a perception that

the real activity lay outside Ireland," ha said. "Now we detect that more and more companies are willing to look again."

The IDA annual report, published yesterday, says more than 11,000 jobs were created in 1987, alightly fewer than the previous year. Of these, 3,500 were created by foreign compa-

mes. While the IDA paints a gen-erally rosy picture of the Irish economy, the Irish central bank, in its latest quarterly bank, in its latest quarterly report, says gross national product is set to grow by only half a per cent this year. This is well below the 2-8 per cent. forecast of Mr Charles Haughey, the Prime Minister. The bank says domestic demand will continue sluggish and there is little sign of a drop in the unsumboyment rate at in the uneuployment rate, at present running at 19 per cent. However, it notes improve-ments on other fronts: inflation will be about 2 per cent for the year and exports are likely to continue their healthy growth. Above all government defi-cits and borrowing are likely to be "considerably lower" this be "considerably lower" this year. The bank says that in the first six months of the year tax revenue grew. considerably. "For the full year, tax revenues are expected to exceed the bud-

# Ozal tries to steal a second march on his rivals

Jim Bodgener reports on a move to change the Turkish constitution and call early local elections

unions.

TURKEY'S political parties are jockeying for position again just nine months after elec-tions in November returned Prime Minister Turgut Ozal and his ruling Motherland Party (Anap) to power. This follows the surprise announce-ment by Mr Ozal that he would seek parliament's approval on August 2 for constitutional changes enabling early localelections in October.

Mr Ozal and his Anap strategists hope once again to steal a march on the opposition, as they did with the surprise calling of the general elections last September. There are several compelling reasons for doing so, not least the electoral support building for the main opposition Social Democratic Populist Party (SHP), and the emerging partnership of its chairman, Professor Erdal monu, and Mr Deniz Baykal,

rarily its new Secretary-General. With the economy burdened by inflation of 70-75 per cent, Mr Ozal has seen Anap's rating

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Economists predict the next two years will be difficult. Mr Ozal needs to hold early local elections before Anap's support wanes further, then be can introduce tighter austerity measures and ride out parlia-mentary criticism with Anap's strong majority. Anap remains very much a

party reconstructed from the rubble of several pre-1980 parties, cemented largely by Mr Ozal's leadership and an emphasis on economic development which so far has bridged the rift between its Islamic and liberal wings.

Mr Ozal has managed to buy off the Islamic wing with the possibility of a ministerial post for its leader, Mr Mehment Kecsciler. The challenge of local elections will transcend internal party divisions tempo-

Mr Ozal also has his eyes on the presidency (President Kenan Evren steps down next year) and would rather not be saddled with the possibility of a negative March poll. fall steadily in the opinion

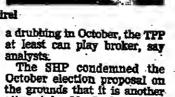
Parliamentary sanction became necessary after a polls this year. The SHP now has a marginal lead over Anap and the True Path Party (IPP) of Mr Suleyman Demirel, prime minister before the 1999 recent decision against the Government by the Constitu-tional Court, which ruled that coup, is fast making up under the constitution local elections should be held next



Ozal (left): losing ground to Demirel

March, five years after the orevious ones. A majority of 300 is needed in the Turkish parliament to amend the constitution and Anap has only 290 SPATS\_

However, an accommodation has been reached with the TPP, although Mr Ozal's surprise announcement on July 17 nettled Mr Demirel and scuppered a planned meeting between the two. The TPP's policy since the general elections has been to capitalise on Anap's growing unpopularity and whittle away its electoral support - so if Anap receives



attempt by Mr. Ozal to move the electoral goal-posts. Mr Baykal said Mr Ozal was also trying to capitalise on public sympathy after his narrow escape from an assassination attempt in early June, and on

his pilgrimage to Mecca. The partnership between Professor Inonu, the academic moralist and ideologist, and the pragmatic, opportunistic

Mr Baykal, may yet generate the kind of leadership cha-risma necessary in Turkish politics, but hitherto lacking in the SHP. But it is still tinged with mntual distrust - Mr Baykal seems to be hiding his time for a tilt at the chairmanship, while under his amiable exterior Mr Inonu hides an obstinate and tenacious nature.

As yet, Mr Baykal's rump within the SHP of old members from the Republic People's Party (RPP) - proscribed after the 1980 military com - has a strong following but not a majority within the SHP, and other factions could easily unite against it if stirred up by an open bid for the leadership. Mr Baykal still bears the

mark, to some extent, of his leading role in RPP governments during the descent in the late 1970s into social anarchy and economic disfunction. Many of the younger social democracts also mistrust his

opportunism. Yet for Mr Baykal, the most difficult problem may be how to satisfy support for the SHP aroused by free market Anap policies since Mr Ozal assumed the premiership in 1963. The SHP's membership is made up of professionals, industrial

workers and rural labourers, all of whom have been the worst losers since 1980, in terms of their rights and privileges and living conditions, with an estimated 50 per cent fall in real earnings over the period.

Mr Baykal faces a plethora of demands from trade unions for wage increases, liberty to strike and collective bargain-ing rights, from bureaucrats for higher salaries and the get target by a substantial argin.

ing through cuts in the rate of borrowing and the level of development spending. Increased taxation might com-pensate for the borrowing duction, he believes.

On denationalisation, ha says Mr Ozal's Government is selling off the best performers in the state sector rather than putting the most inefficient into private sector hands for rehabilitation. All of this could be a far cry from SHP voters' aspirations.

An article on the Turkish econo my was printed on this page yesterday

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FINANCIAL TIMES

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right to unionise, and from the peasantry for increased monop-oly price subsidies. He argues for control of inflation by classic methods, reducing the imbalance between public debt and spend-

.

## **OVERSEAS NEWS**

## West Bank business battles for customers

Andrew Whitley in Jerusalem tells of mixed fortunes amid strife in occupied territory

HE PROMINENT advertisement which appeared one day last month in all West

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"Ppoky"

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Bank newspapers was a pol-gnant sign of the times. Circulating in the local mar-ket, it warned the public, were products which masqueraded under Arabic names hut were not locally made. As a result, the Tako tissue paper factory of Ramallah – whose lineage, the advertisement pointed out, went back 52 years - had regretfully put many of its workers on an unpaid vacation of unlimited duration.

The only way to continue is through popular protection, and that's why Tako is calling on the public to look into this case," said the advertisement: an unusual pitch to Palestinian customers to differentiate between its disposable napples and those infidel counterfaits made in Israel

The inijada (uprising) has generated many brave state-ments by Palestinians of their willingness and ability to return to the simple way of life most knew before 1967. But, judging by the experience of Tako - one of the biggest industrial enterprises in the occupied territories - returning to washing solled nappies by hand is not among the sac-rifices contemplated. Israeli nappies continue to make inroads, helped in part by the manufacturers' ability to offer generous credit which West Bank industry cannot match.

Burma leader

named president

A few days after the adver-tisement appeared, the under-ground leadership of the upris-ing came up with an endorsement of the factory's appeal. A big local employer was in trouble and needed political support.

Shunned over the years by those Palestinians who had spare capital to invest, and dis-criminated against by both Israel and Jordan, industry has he had to fill in and stamps he had to obtain from the military authorities for the simplest of

the other daily problems they face as a result of the eight-month unrest. These range from frequent strikes and severe distribution problems to a veritable snowstorm of new paperwork. "This is the year of permits," com-plained one businessman, exhibiting the sheaf of forms

Palestinian-owned companies who sub-contract for Israeli

than essentials.

industries have been badly affected. "We'll try to live with the intifada, rather than get rid of it. Our future is at stake."

Companies such as Sylvana, a confectionery and biscult-maker, report that the bottom

may have fallen out of their previously flourishing luxury

chocolates business. But wafer biscuits are still doing well, helping the management to

avoid laying off any of its 250

employees. "We have to go to the bank every day with kilos of coins,"

said Mr Gari Mardirossian of Sylvana, describing how his

customers raid their children's

piggy-banks to afford these

simple treats. On the other hand, Israeli-made wafers are

Bank these days.

A recent gathering of Pales-tinian businessmen at the Arab Thought Forum, an East Jarusalem research centre, came to the surprising conclu-sion that, on balance, local industry was doing better than expected out of the intifada. Some, such as the RC Cola bottling plant in Ramallah, a well-established soft drinks producer, and an East Jerusa-

lem cigarette factory, have put on an extra shift to keep up

with demand. Dairy producers

in Jericho and Jenin are work-ing flat out in response to a

products are still being

exported across the Allenby

Bridge to Jordan, Most ship-

ments had been able to get

The most troublesome prob-

lem for the Masris, in common

with other exporters, lay in

securing permission from the Israeli authorities to obtain the

remittances they were owed from their exports. Without

through.

special permission, bank trans-fers from abroad to residents of the occupied territories have had to be less than the equiva-

lent of \$1,200 for the past four months Most of those Palestinian companies in trouble, such as Tako, or the Jordan Plastics Editor MB Bill Hayden, Australia's Foreign Minister, has been offered the post of Gover-nor-General of his country in a Company of Beit Sahour, are either dependent on imported raw materials or else produce non-essential items whose pur-chase can be deferred. For the first time in 30 years, the four controversial move beightened by the fact that Australia is lastics factories in Beit

Sahonr – a frequent bot spot – are silent. Also badly affected have been sub-contractors for Israeli companies, particularly in tex-tiles and clothing. Those set up relatively recently along the Green Line, in towns such as Tulkarem and Khalkhilya, to finish Israeli goods, may have been dealt a death blow. "I won't close down,"

ing flat out in response to a switch away from the Israeli long-life milk, yoghurts and cheeses everyone in the West Bank used to buy. In Nablus, Mr Mehdi Masri, director of a large vegetable oil business, said 80 per cent of the family-owned company's products are still being insisted Mr Issa Abu Aita, the managing director and co-owner of Jordan Plastics, trouhled more than most by labour disruption and daily clashes with the army near his prem-ises. "We'll try to live with the intifada, rather than get rid of it. Our future is at stake." The company has a similar

factory across the Jordan River in Amman. Mr Abu Aita argues with conviction that he could have made much more money by closing down in the West Bank and moving his entire business to the Arab world.

Hayden offered post of Governor General By Robin Pauley, Asia

currently celebrating its bicen-

Mr Hayden's name has been repeatedly floated as the likely

next representative of th

Queen in spite of the fact that he once public espoused repub-

lican views and suggested that Australia should sever all

One theory, repeated as

often as it is dismissed, has

been that appointing a non-es

tablishment republican-minded figure such as Mr Hay-

den would be the logical first step towards the ultimate dec-

The timing of the announce-ment of the offer, which is made by the Queen in consul-tation with the Australian government, is also signifi-

cant, coming just one week before Mrs Margaret Thatcher, the Britisb Prime Minister,

arrives in Australia for an offi-

Mr Hayden is 55 and has been Foreign Minister in the

laration of a republic.

links with Britain.

tenary.

## Kampuchean groups divided over role of government

By John Murray Brown in Jakarta

KAMPUCHEAN factions Hun Sen and the Vietnames appeared divided yesterday over the role of a provisional government to take the coun-try through to general elections following any settlement of the nine-year-old conflict.

of the hme-year-old condict. Speaking to all four factions at the start of the third day of the Jakarta peace talks, Prince Norodom Sihanonk, former leader of the three-party resistance coalition, appeared to drop his original demand that the PRK, the Vietnamesebacked government in Phnom Penh, be dissolved as part of a settlement. He also said he would not

propose an international peace-keeping force as this was "strongly opposed" by Phnom Penh and the Khmer Rouge, the strongest resistance force fighting Vietnam's invasion of Kampnchea from hases in Thailand.

However, the prince called for a quadripartite government which would leave the armed forces of all four factions including the Khmer Rouge intact. He further rejected, albeit politely, the seven-point peace plan presented earlier this week by the "charming Mr Hun Sen", the PRK Prime Min-

has been the disarming of the 40,000-strong Khmer Rouge armed forces. It was the Khme Rouge government of Mr Pol Pot which devastated the coun-try between 1975 and 1979, killing hundreds of thousands of Kampncheans and prompting

3

Vietnam's original invasion. Mr Nguyen Co Thach, Viet-nam's Foreign Minister, yesterday declined to comment on the prince's porposals. Mr Thach, however, said the peace talks had agreed general prin-ciples hut failed to find common gronnd on "concrete issues

The Jakarta talks are expec-ted to wind up today with a commitment by all four Kampuchean factions, together with Vietnam, Laos and the six members of the Association of South East Asian Nations, to, form "working committees" to

continue the peace process. Moscow, due to meet Chi-nese officials in Peking next month, would like to improve relations with China and is thought to be putting pressure on its client state in Vietnam Vietnam's troop withdrawal from Kampuchea, which Mr Thach yesterday insisted was unconditional, would open the The main demand of both Mr way for Western aid to Hanoi.

## Indian opposition in fresh attack on Gandhi

By K K Sharma in New Delhi

MR Rajiv Gandhi. India's come at a time when Mr Prime Minister, yesterday came under fresh attack over the controversial \$1.4bn howit-zer deal with Bofors of Sweden at a time when the country's splintered opposition is making some headway in attempting to form a united front to fight the

next election. Yesterday opposition members of both houses walked out angrily after their attempt to censure the government over the Bofors scandal was blocked by the speaker. The controversy has embarassed Mr Gandhi for nearly two years since allega-tions were made that payoffs tions were made that payoffs The aim is to present a had been made by Bofors to united front against Mr Indians close to the Prime Min- Gandhi's Congress (1) party in ister.

Gandhi finds himself in fresh trouble because of moves by opposition parties to unite and signs of dissatisfaction within his own ruling Congress (I) party.

Four opposition groups -the Jana Morcha led by Mr V P Singh, who has emerged as Mr Gandhi's main rival, the Congress-S, the Lok Dal and the Jsnata party - have announced they will merge by August 15 to form a single new party to be called the Samajwadi Janata Dal (Socialist People's Party).

ster. Yesterday's disturbances held at the end of next year.

never represented a significant share of the occupied territotasks, such as sending a truck-load of goods across Israel to Gaza. Above all, there is an ries' output. According to the West Bank acute shortage of cash among consumers for anything other

Data Base Project, a reliable chronicler of the region's tra-vails, its share of local gross valis, its share of local gross national product actually declined between 1967 and 1964: from 9 to 6.7 per cent. Barely a dozen factories employ more than 200 people, or have an annual turnover hing \$10m.

Onto these frail shoulders has fallen a Mahatma Gandhi-style call on Palestinians to boycott goods made across the pre-1967 "Green Line" and sub-stitute them with local products wherever possible.

The call has so far been only a partial success. But for many West Bank manufacturers it has helped compensate for all

nowhere to be seen in the West **S** African surplus falls

#### By Jim Jones in Johannesburg

BURMA'S new leader, U Sein Lwin, yesterday appointed himself President and com-SOUTH AFRICA'S trade surplus fell by half during the pleted the distribution of first six months, of this year, senior posts, demonstrating clearly that the resignation of heightening fears for the econ-omy and the country's ability U Ne Win has made little dif-ference to the effective control to make scheduled foreign debt repayments.

of power in the country, write Chit Tun in Rangoon and **Robin Pauley in London** The country's three most semior men after Mr Ne Win's decision to step down after 26 years of autocratic and economically disastrous rule are retired senior military officers. The new joint secretary of the party and secretary of the council of state is Thura U Kyaw Htin, Thura is a military decoration awarded for outstanding gallantry. The Prime Minister is Thura U Tun Tin.

## have widened in the second quarter. .-This year South Africa is scheduled to repay between \$1bn and \$1.5bn of foreign debt, all of which has to be funded

from the current account and The first half's trade surplus reserves while the country remains excluded from foreign dropped to R3.4 bn(£858m) from R7bn in the first half of 1987 as capital markets. Although the country is a member of the World Bank and umer-led economic growth boosted imports, and exports of primary goods stagnated. the IMF, neither organisation Figures for the first half's will provide loans to tide South Africa over its present liquid-ity problems. Economists current account of the balance of payments have still to be published. However, the first quarter resulted in a R410m believe the authorities' only feasible option is to put the seasonally-adjusted deficit on an annual basis against a combrakes firmly on the economy, to curb credit demand and. parable surplus of R6.5bn in

thus, imports. the fourth quarter of 1987. This, in turn, raises ques-The deficit is believed to tions about the economy's abil-

ity to create jobs. This week two large insurance companies estimated real economic growth would be no more than 2.5 per cent in 1988, against 3 per cent targetted by Mr Bar-end dn Plessis, the Finance Minister, in his March budget.

A growth rate of over 4 per cent is estimated as necessary to prevent a further rise in unemployment.

In a recent economic report, Trust Bank, the country's fifth largest bank, equated the first half of 1988 with that of 1984, when sharply rising imports led to a significant loss of foreign reserves.

In June this year, gold and foreign reserves fell by R540m to R5.65bn

commitment to pull out troops PRESIDENT Fidel Castro pledged Cuba's commitment to withdraw its troops from Angola when a peace agree-ment for the sonth-western region of Africa is signed, Reuter reports from Cuba.

"We are near a political solution," he said on Tuesday, referring to a US-mediated agreement between Angola, Cuba and South Africa.

"What we want is a global ust and honourable solution that would guarantee the secu rity of Angola and indepen-dence for Namibia," he told a 2,000-strong crowd on Cuba's National Day. Cuba would gradually with-

draw its troops from Angola.

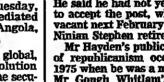
Labour government since 1983. He is a former police-man, a self-made and largely self-educated career politician who has overcome his sour relations with Mr Bob Hawke, Castro pledges

Ninian Stephen retires.

cial visit.

ing role," he said this week. He said he had not yet decided to accept the post, which falls vacant next February when Sir

Mr Hayden's public outburst of republicanism occurred in 1975 when be was a member of Mr Gough Whitlam's Labour government which was dis-missed by the then Gover-nor-General, Sir John Kerr, after the opposition used its upper house majority to block



povernment spending.

the Australian Prime Minister, dating from their tussle over the leadership of the party. He has recently modified his view of the ceremonial role of **Governor-General** in Australia and no longer publicly advo-cates breaking with Britain. "The more I look at it the more I find it a very interest-

# here's the latest family photo

For those of you who've only met our first born,



1977, Commodore proudly presented the world with PET the first desktop computer This precocious bestseller has been so popular that even now, companies are happily doing business with their PETs. 

A . . Today, a whole range of Commodore computers are dear to the heart of a wide variety of business professionals. From the freelance journalist working at home to the multinational corporation. In Germany, for example, that most particular of business markets, Commodore PCs regularly challenge the big boys and in the eyes of people like BMW and the German National Railways, we come out on top. In the UK, we're working with new business start-ups to those who've been around for years and really know the score on accounting database spreadsheets and wordprocessing. .

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**Bush starts** 

for ticket

VICE PRESIDENT George Bush, who will be nominated next month as the Republican Party's candidate for President, has formally started his search

for a running-mate, writes Shewart Fleming in Washing-

His campsion staff say the search will be led by Mr Robert

search whit he has by all interest Kimmit, a former General Counsel at the Treasury Department. Mr Bush is expec-ted to announce his choice at the Republican national Con-

the Republican national con-vention next month. It was also disclosed that with Mr Bush trailing his rival, Governor Michael Dukalds of Massachusetts, in public opin-ion polis, his campaign has launched a Sem advertising campaign stacking the Demo-crats and stressing the eco-nomic successes of the Reagan Administration.

Air safety warning

Unless immediate steps are taken to modernise the US air

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## **AMERICAN NEWS**

## Congress unimpressed by Sarney warning

## By Ivo Dawnay in Rio de Janeiro

A devastating critique of Brazil's draft constitution, Isunched by President Jose Sarney in a nationwide broad-cast late on Monday, appeared yesterday to have made little

yesternay to have made little impact on congressmen. Mr Ulysses Guimaraes, presi-dent of the Constitutional Assembly, who had begged Mr Sarney not to speak, refused to comment on the address while preferring to push ahead with the final round of voting on the draft.

draft. Left-wing parties dismissed the President's warnings as exaggerated, while some politi-cians on the right, though broadly endorsing his views, added that the attack might have come too late.

Only the business commu-nity appeared ready to give solid backing to the President's analysis. "The statement adds to the efforts that society, and especially businessmen, have made to change the text," said Mr Roberto della Manna, a director of the Industrial Fed-eration of Sao Paulo (Fiesp).

Mr Sarney gave a concilia-tory assurance that he contin-ued to support the new constitution and Congress's work in drafting it. But he warned that, without profound changes, it

without profound changes, it would bring "a brutal explo-sion in spending" that would leave Brazil "ungovernable". Identifying specifically new social welfare provisions, changes in tax laws, the can-cellation of previous decree law legislation and articles on the treatment of military and civil federal employees, the civil federal employees, the President calculated that the draft envisaged some \$12.6bn in additional costs each year.

This alone represented dou-ble the revenue from federal retail and income taxes, he

claimed. Leaders of the largest politi-cal parties were yesterday attempting to hammer out compromise formulas on the most controversial elements. But the widely-held view is that no substantive changes will emerge before the final votes are completed. The last opportunity for compromises will come only after the docu-ment is promulgated when enabling legislation to enforce it comes up for voting.

## **Carlucci** hints on Soviet participation in Gulf

THE US MIGHT accept Soviet participation in a Gulf peace-keeping force despite its oppo-sition to Soviet influence in the region, Mr Frank Carlucci, US Defence Secretary said, Reuter reports from Washington.

Mr Carlucci also said US allies in the Gulf supported Washington's view that West-ern navies should keep protect-ing shipping in the strategic oil lanes until Iran and Iraq agreed a ceasefire in their

eight-year-old war. In an interview, Mr Carlucci was asked what the US posi-tion would be if the Soviet Union offered to take part in a peacekeeping force to be formed by Mr Javier Perez de Cuellar, UN Secretary-General, who is trying to arrange a ceasefire in the Gulf war. "While the conflict was going on, we saw no need to bring the Soviet Union into the eight-year-old war.

going on, we saw no need to bring the Soviet Union into the Guil," he said. "We didn't think that their attitude had been particularly helpful. What kind of role they might be prepared to play in peacekeeping is something that would have to be developed by the UN Secretary-General." He added: "We continue to

be opposed to Soviet influence - but at the same time we want to be as supportive as poceible of the Secretary-General." The US would be willing to

**THE Reagan Administration** 

has informed Gen Manuel Noriega, the Panamanian strongman, and the US public

that it is prepared to undertake "covert" actions as part of its campaign to oust him, writes Stewart Fleming in Washing-

FEDERAL prosecutors have brought racketeering charges against a lawyer accused of insider trading, AP reports from Chicago. Mr Alfred Elliott, 44, was

indicted yesterday for alleg-edly making \$680,000 in illegal

profits using information he obtained while a partner of the

join a multinational peacekeep-ing force but this could pose problems, given the tense state of Iranian-American relations. He said the 27-ship US Navy task force in the Gulf and

Western military strength and resolve, not Soviet reform, prompted recent moves to end conflicts in Afghanistan, Angola and Kampuchea, Mr Frank Carlucci (right) said matendar Bautiar remotes yesterday, Reuter reports. Mr Carlucci, who visits the Soviet Union next week, also said Washington would con-

tinue to question Moscow's claims that it was moving to a more defensive arms posture. more detensive arms posture. Far more significant than glasnost had been the consis-tency of western policy, US strength and assertiveness and a willingness to support those fighting for freedom in their own countries. own countries.

northern Arabian sea, which

northern Arahan sea, which has been escorting Kuwaiti tankers flying the US flag for the past year, would only be reduced once, the threat to shipping had been removed. "If there is no tangible threat to American-flagged shipping, or innocent shipping, then we would certainly cut down on would certainly cut down on our patrols and cut down on the size of our presence," he

Other countries, including France and the UK, have about 41 ships protecting shipping in the Gulf

The Iraqis were sending "ambiguous signals" on whether they were withdrawing from all Iranian territory as they had promised. The Iraqis crossed into Iran in the

This came to light yesterday

in the form of an extraordinary front-page article in the Wash-ington Post which said Presi-

dent Reagan had signed a find-ing authorising new covert

It quoted "a well-placed source" as saying no military

law firm Schiff, Hardin and

activity.

White House 'authorises anti-Noriega activity'

central and southern fronts

last weekend but promised to quickly pull back. "We have some indications that the Iragis are withdrawing on the central front," he said. "The same does not seem to apply to southern areas. I assume their goal is to maxim-ize their negotiating leverage. Mr Carlucci appeared to rale out improving relations between the US and Iran until

American hostages held by pro-Iranian factions in Leba-non were released

action was imminent and that

the authorisation involved activities short of a para-mili-tary operation to oust Gen

The disclosure is rich with

The Administration's failure

in early 1986 to inform Con-

"The keeping of hostages is disgraceful, shameful and a cowardly act, and Iran in the name of human decency ought to use all its influence to get these hostages released," Mr Carlucci said.

## **US plays** down Iran statements

THE WHITE House yesterday played down the significance of liantan statements suggesting US hostages in Lebanon might be freed soon and repeated it would not deal for their

"The truth is, there's noth-ing going on," Mr Mariin Fitz-water, Whitehouse spokesman, said when asked about a flurry of public statements on the hostage issue by Iranian offi-cials in recant days.

"We have not had discussions or overtures with Iran," he said. "There've been these two speeches. The media has built this up into some great new initiative. We have no information that that's the

Iranian military chief Ali Akbar Hashemi Rafsanjani said in a televised speech on Tuesday that Tehran might consider helping to free nine Americans held by pro-framism groups in Lebanon if the US agreed to release frozen Iranian assets.

Mr Fiizwater said the US had made a number of overtures to iran to open a dialogue but had not yet had a response.

He also restated the US pol-icy of refusing to negotiate for the release of the hostages. "We go anywhere, anytime, anyplace to talk about them. But we won't make deals.

"There've been these com-ments ... in the last few days. However, I would point out that they've made these kinds of comments before."

If they had been told, they would almost certainly have



Grosz' Hungary reform message By Nancy Dunne in Washington

MR Karoly Grosz, the Hongarian Prime Minister, Hungarian Prime Minister, took a message of economic reform into meetings with American business and political leaders during a 10-day visit to US which is due to end today. Mr Grosz, the first Hungarian leader to visit the US for more than 40 years, was acheduled for meetings

scheduled for meetings yestenday with President Reagan, Vice-President George Bush, Mr James Baker, the Treasury Secretary, and members of Congress. On a journey which began ... last week in Chicago, Mr Grosz saw Governor Michael

Dukakis, the Democratic presidential candidate; Mr Alan Greenspan, chairman of the Federal Reserve Board; World Bank and International Monetary Fund officials and Monetary Fund officials and Monetary Study the Mr George Shultz, the Secretary of State. In a speech on Tuesday, bound to please the Reagan Administration, he described Administration, he described his vision of a liberalising Hungarian economy and political system. This "would allow greater company and local initiatives", freeing "exormous intellectual and spiritual necessaries, as well

as economic reserves to operate .

## ressional leaders about an intelligence finding authori-sing arms sales to Iran is widely regarded as a bhmder which led to the Iran/Contra North may avoid charges

that the conspiracy counts will have to be dismissed," he said, Col North has been charged THE JUDGE in the Iran-Contra case said yesterday that he might dismiss key conspiracy charges against fired white Col North has been charged with engaging in a broad crimi-nal conspiracy to defraud the US Government by diverting profits from secret arms sales to fram to provide prohibited military aid to the Micaraguan Contra rehels in 1985-96. While three counts relate to the conspiracy, Col North also is charged in 18 other counts that include obstruction of jus-tioe by covering up dis activi-House side Col Oliver North because the Government refuses to release secret docu-ments to Col North, Reuter

Teports from Washington. "It is now apparent that the Government will not make available the documents I have ordered to be turned over to North for his defence," US District Judge Gerhard Gesell said at a pre-trial hearing. "Unless the issue is making false statements and investment resolved ..... it is clear to me. violating tax laws.....

uness inimistrate scele are taken to modernise the US air traffic system and improve management of air traffic flow and demand, the US will be unable to maintain its current air sefety levels, according to a report released yesterday by the Congressional Office of Technology Assessment, writes Nancy Dunne in Washington. The report, Safe Skies for Tomorrow, said that in order to improve air safety, the erganisation of the Federal Aviation Administration must be improved. The number of FAA inspectors should be increased and the capacity of the air traffic control system enhanced. enhanced. **Investment** 'blocked'

THE US is the most open manket in the world to foreign investment, but other coun-tries place significant obstacles or controls on investment in

or controls on investment in their economies, according to a Congressional study. Our Washington staff report. The report, by the Congres-sional Economic Leadership Institute, a bipartisan forum where members of Congress can exchange views with busi-ness and academic leaders on America's role in the global acconomy. Underscores the economy, underscores the growing interest in the foreign investment issue on Capitol

#### expect to use the racketeering laws as a powerful weapon in these cases," Mr Anton Valu-kas, a US ettorney, stated. Mr Elliott is charged with wire fraud, securities fraud, workstraining and filling a false Waite in Chicago. This is the first time the racketeering statute has been used in an insider trading case. It provides greater penal-ties and gives the Government more power to seize illicit teering and filing a false

gains than other laws prohibit-ing insider trading, the proseincome tax return. If convicted on all counts, he could receive

irony.

up to 363 years in prison and \$13.5m in fines and be forced to make restitution. cutor said. "In the future, we

scandal.

WORLD TRADE NEWS

Nine times between 1984 and 1986, Mr Elliott learned of large pending stock acquisi-tions by clients, then invested heavily in the company whose stock was being bought, the Government said.

## Europe's chance in services market Japanese

Racketeering charges made in insider trading case

objected strenuously.

#### By William Dullforce in Geneva

EUROPEAN companies will be able to dominate the world market in several kinds of services, if the Community's sin-gle market succeeds and e reasonable agreement liberalising trade in services emerges from Gett's Uruguay Round.

This claim is made in a report to the EC Commission by the European Services Industry Forum (ESIF).

The services concerned are not the traditional ones, such es banking, insurance and transport, where leadership is passing to the Japanese, but services such as security, quality control, courier services and the media, where startling improvements in productivity are being made.

In recent years European companies have outpaced their US counterparts in markets which had for years been con-

ECGD to back

\$125m loans for

By Peter Montagnon, World Trade Editor

sidered North American specialities. Examples are advertising and communications, temporary labour services, electronic financial informasigned software US companies tion and training.

are already ceding market share to the Europeans, ESIF ESIF, which groups 28 Euroclaims. pean service companies, aims et supplying policymakers with information on service All 25 sectors offer doubleindustries. Its report, based on information from market leaders in

All 25 sectors offer double-digit growth, according to ESIF. Mr Gunter Pauli, its chief executive, cites "orders of magnitude" on the European market of 80 per cent a year in telemarketing, 60 per cent in small package courier services and for any cent in electronic each sector, tries to predict which services Europe can expect to sell well worldwide. and 50 per cent in electronic financial information. It includes estimates of world Training and education could secure sales of Ecul50hn

Growth in value added net-works, such as Swift, the bank clearing system, is put at 40 per cent a year.

(\$171bn) worldwide while advertising and communica-tions and security services could generate Ecul00bn sales. loss and security services ould generate Ecul00bn sales. Design would account for an

By Peter Montagnon in London and William Dullforce in Geneva

US may try to cool Airbus row

estimated Ecu80bn in worldtional services markets are in flux with relatively low barriwide turnover and temporary labour services Ecu60bn. In the ers of entry and a need for only Ecu40bn market for custom-delimited start-up capital.

Jepan offers the toughest competition and is becoming the undisputed number one in traditional services which include banking, insurance, tourism, transport and distri-bution. The development of these services in Europe and the US has been blocked by outlated legislation, ESIF says.

The relative market position of US companies is seen as declining, although they continue to dominate in financial services, the media, auditing, catering and databanks.

If the Uruguay Round fails to agree on services by 1992, the Commission should prepare an immediate bilateral agreement on services with the US.

## and Lucas in **UK venture**

## By ian Rodger in Tokyo

YUASA, the leading Japanese battery maker, has set up a joint venture with Lucas, the UK engineering group, to make

ar batteries. The 50/50 venture, called Lucas Yuasa, has been capital-ised at £4m (\$6.8m). It will take over the British company's 90-year-old battery plant in Bir-mingham where 550 people are employed

canals.

systems, swamp agriculture, flood control, drainage pro-jects, river improvement and

groundwater development.

employed. Ynasa said production would he aimed at the European mar-

be aimed at the European mar-ket of 50m batteries a year. In the UK market 6m batteries are sold each year. The new venture would produce about 2m batteries a year at first, worth about £28m. Yuasa, which has 17 facto-ries in 15 countries, said the European market was looking increasingly attractive. It had begun negotiations on supply-ing batteries to the Japanese car makers, Nissan and Honda, Sector loan. "Irrigation systems deteriorate very quickly if they are not well maintained and operated and, we are becoming increasingly concerned about this," he said. ing batteries to the Japanese car makers, Nissan and Honda, in the UK. The company already has a factory in Ebbw Vale, Wales, set up four years ago. For Lucas, the joint ven-ture is part of a sirategy to move out of the manufacture of relatively low value motor components. "Despite allocating an ever-in-creasing amount of our irrigation budget to operation and maintenance (10.3 per cent in 1996/87), the amount falls far components. short of our requirement." In Indonesia, irrigation means all weter resources

· Yuasa, with its Indonesian partner, Wanandy, has bought Repco Century South Queen-sland, a car battery maker in Australia.

## **Rolls Royce** and GPA in joint project

ROLLS ROYCE and the GPA group, aircraft leasing opera-tors based at Shannon in the Irish Republic, have announced a joint venture to buy the new Bosing B757 extended-range aircraft, writes Kieran Cooke in Dublin.

set up a separate company to lease the Rolls Royce RB211-535 series engine which powers the B757 and the TAY 650 series which powers the Fokker F100

## for irrigation renewal

Indonesia unplugs cash

## Plan will involve at least 50,000 people, reports Annette Bingham

NDONESIA is embarking and Sinotech of Taipei, on a wide-ranging pro-gramme to improve the torate General of Water gramme to improve the country's vital irrigation net-work. It aims to improve the Resources Development to

implement the programme. Mr M N Vivekananthan, an irrigation expert from MacDon-ald and the senior adviser to the consultancy said: "The aim return on investments and to cut the incidence of unrepaired pumps, broken banks, fammed control gates and weed-choked the consultancy said: "The sim is to equip the Indonesian institutions to handle all aspects of planning, design, construction, operation and maintenance of water resources infrastructure in a systematic and co-ordinated manner to maximise agricul-tural production." The programme will cover nine provinces at first and involve at least 50,000 people. It will be based on an injection of \$234m from the World Bank which has funded many of which has funded many of Indonesia's existing irrigation projects. Eventually, the entire country will be tackled. Mr ir Soewasono has been Director of irrigation through-out the period of preparation and negotiations for the Sub-Sector has "Twingtton

The nine provinces which are included in the first phase have a total land area of 411,000 sq km (21 per cent of the land area of Indonesia) and harvest wetland paddy on 6.6m hectares (75 per cent wetland harvested area in Indonesia). Rice yields on the well-main-

tained irrigation schemes average five tonnes per hectare, but are cut if the schemes are badly operated and main-tained indonesia is trying to keep expansion of food production a step ahead of population growth without incurring the cost of building new irrigation at between \$3,000 and \$5,000 a hectare. According to Mr Bert Kramer of the World Bank's office in Jakarts: "There has been a tendency for irrigation investments to he idle for Two international consultants, Sir M MacDonald & Part-ners of Cambridge, in the UK tially, and then canals are com-

Rice yields on the well-maintained irrigation schemes average five tonnes per hoctare

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pleted in years to come." To introduce efficient opera-tion and maintenance over about 4m hectares will cost 2.4bn rupiahs (\$1.4m) in the first year, rising to about 50hn ruplans in the 15th year (at 1967 prices). Bringing existing schemes up to standard for continued maintenance will cost about 1,000bn ruplahs.

The World Bank recommends that the cost of maintaining irrigation schemes should eventually be met by the farmers who benefit from the water. This will be hard on Indonesian farmers most of whom are poor and own less than half a hectare of land. Even where irrigation is assured farm incomes are often less than \$115 per head per year

The Bank and the various Government departments involved have agreed that improved collection of property interes in irrigation areas will help recover costs. A direct irrigation service fee is also likely to be imposed.

likely to be imposed. Farmers may pay for better service but may aso find they have to cut the amount of water they take. Many farms in strategic locations at the head of a main canal take water at the expense of downstream farmers. They are unlikely to welcome measures which restrict their water supply and then impose an irrigation ser-vice fee.

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Angolan oilfield, A TOP-level US cabinet A TOP-level US capitet committee is to meet in the next few days to determine Washington's next step in its row with Europe over Airbus BRITAIN'S Export Credits subsidies The meeting of the Economic Policy Council follows the fail-ure of bilateral discussions.

turnover in 25 sectors.

Guarantee Department has lent its support for a rare package of loans totalling \$125m (£73.5m) to Angola to help, finance development of its Greater Takula offshore oil-Industry executives believe it could result in the declaration by the US of a form of hostile

It is to guarantee the pack-age assembled by Lloyds Bank despite the fact that Angola, which recently undertook e Paris Club rescheduling of its official debts, is not normally eligible for medium-term ECGD cover.

The package comprises loans of \$63.75m and \$61.25m respec-tively to Sonangol, Angola's state oil company, and Cabgoc, a subsidiary of Chevron. The latter loan will be classi-

fied by ECGD as Bermudan risk as Chevron's headquarters are in the island's capital of Hamilton.

Italians win L240bn China power order

A CONSORTIUM of Italian companies has won e L240bn (\$177m) contract to build a power station in China, Alan Friedman reports from Milan. The consortium, led by the

Genoa-based Gruppo Industri-ale Electromeccaniche (GIE), is to construct a 700MW plant at Lingang, in Jangsu Province to be completed by the first half

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This means the US would ask Brussels to come up with fresh proposals for defusing the problem and would threaten to impose trade sanc-tions if it failed to do so.

This would defer the need for immediate action without the US losing face as it inititions ated the dispute with its com- Trade diplomats have progressed more slowly than at plaint that Airbus was being warned that the Airbus dispute first hoped.

unfairly subsidised. Europe has countered that US airframe companies receive billions of could become serious enough to disrupt the Uruguay Round of multilateral trade liberalisadollars in subsidies through tion talks if it led to sanctions government defence contracts. and counter-sanctions being imposed.

Such an outcome has been awaited for several weeks in Europe where officials regard However, a US policy of hos-tile truce could become diffi-cult to operate if European it as e move by the US towards disengagement of hostilities. But decisions by the EPC are hard to predict because it includes Cabinet-level officials governments give in to pres-sure from Airbus partner com-panies for fresh injections of cash to counter the loss of competitiveness caused by the decline of the dollar and consefrom a range of departments. The attraction of this approach to the US is that it

quent strengthening of Euro-pean currencies. Also, collaboration talks between Airbus and McDon-nell-Douglas, which have been a restraining factor in the disleaves open the possibility of reopening of the dispute in the future while removing the risk of it escalating through the immediate imposition of sanc-tions pute, are understood to have

# Osram shines a path to Japan market

#### By Andrew Fisher in Munich

OSRAM, the West German lighting company which is the third largest in the world, is teaming up with Mitsubishi Electric to break into the highly-controlled Japanese lamp market.

tion venture with Mitsubishi. A new plant costing more than Osram said the deal was DM160m will be built south of unique in the electrical indus-try in giving a German com-pany a majority share in a joint production venture in Tokyo. In the first full year of propany a majority share in a duction the two companies joint production venture in hope to achieve a turnover of Japan. Osram is strong in DM160m in Japan, the second

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advanced halogen and other largest lighting market in the long-lasting, low energy, high world after the US. Mr Helmut long-lasting, low energy, high performance bulbs. Plettner, the chairman of Osram, owned by Siemens and based in Munich, will have Osram, said the aim was to reach sales of DM300m a year 51 per cent of the joint produc-

in three years. Entry to the Japanese market was difficult because the hig domestic producers all had tied retail outlets, he said. Mit-subishi itself, with nearly 10 per cent of the market, has links with about 5,000 Japanese lighting dealers.

and the Gulf Stream G4.

an option on a further similar number. All aircraft will be equipped with Rolls Royce The two companies also announced their intention to

It is believed the new com-pany, GPA Rolls, will order up to 40 aircraft from Boeing with

## **BUSINESS LAW**

## Lost profit – back to square one

By Ian Lupson and Martin J. Piers

OUTSIDE the realms of liability for negligence advice, it has never been a simple mat-ter in the English courts for a company successfully to sue another company or person which caused it economic loss or loss of profit, without any attendant physical damage or threat thereof. Unless, of course, such loss was caused in the framework of a contractual relationship. Two Court of Appeal deci-sions reported earlier this year - Simman General Contracting Company v Pilkington Glass (no 2) (1988) IWLR 761 and Greater Nottingham Co-opera-tice Society Limited v Cemento-tion Pilking and Foundations Limited - have served to re-emphasise this traditional judi

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relationship. Two Court of Appeal deci-sions reported earlier this year - Simson General Contracting Company D Pilkington Glass (no 2) (1988) IWLE 75I and Greater Nottingham Co-opera-tice Society Limited D Cemenia-tion Piling and Foundations Limited - have served to re-emphasize this traditional indi-cial reluctance and represent a cial reluctance and represent a further step back from the case which represents the high watermark of recovery in this area, Junior Books Limited The Veichi Campany Limited

(1983) 1 AC 520. Junior Books (which was a House of Lords decision) might have been though of at the time as permitting a type of claim akin to the "product lia-bility" concept against a negli-gent sub-contractor with whom the claimant was in no direct contractual relationship, in circommission was supposed to know about the claimant's particular neede

The facts were briefly as fol-

lows The plaintiffs had appointed a firm of builders as main con-tractors to build a factory and those builders had then entered into a further contract with Veichi as sub-contractors to lay some floors.

Veitchi specialised in this field and had been nominated heid and had been normated for the job by the plaintiff's architects, but still the job was done so badly that the flooring had to be lifted and replaced. The House of Lords were asked to consider whether when the facts were assumed, Veitchi could be liable to Junior Hooks in circumstances

Junior Books in circumstances where it was not alleged that where it was not alleged that Junior Books had suffered injury or danger. Veitch's argument, predictably, was that to make them liable in such circumstance would open such circumstance would open intersent in Mainhead where the much vaunted "floodgates" ihe plaintiffs were the ultimate of liability, which had hitherto been kept firmly closed even though the possibility of their being opened (at least to a lim-ited degree) had been venti-

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knew what products were required by the plaintiffs and by the main contractors. Junior Books relied on Veitchi's skill and experience -something which Veitchi (as nominated sub-contractors) ought to have known. The fact that financial or economic loss would result to Junior Books if the work were undertaken in a negligent way was considered something that Veitchi ought

loss in circumstances where the activity complained of is something other than the giv-ing of professional advice.

Two years after Junior Books the Court: of Appeal in Muir-head v Industrial Tanks Speci-alities Limited (1996): QB 507 were able in fairly short order to distinguish Junior Books seemingly on the grounds that the decision in that case turned on its peculiar facts. The requisite "preximity" was not present in *Muirhead* where the plaintiffs were the ultimate

on the recoverability of eco-nomic loss by circumscribing the nature of the duty, breach of which (it was being argued) might give rise to such recov-erability - no liability being found for economic loss in sound for economic loss in respect of breach of duty, the purpose behind which duty was to protect the health and safety of the residents of a building.

Two decisions this year cur-tail further the ambit of recov-

The first is the Court of

erability of economic loss.

to exist." Thus in Junior Books the "proximity" of the torffeesor to the plaintiff — in the sense that the relationship between them was held to be as close as it could have been short of actual contract — allowed their lordships to find liability. Proximity was provided by a number of important facts including that Veitchi were nominated sub-contractors, specialists in flooring, and knew. what. products were

Appeal decision in Simaan General Contracting Company o Pilkington Glass (no 2) (1986) 1 WLR 761. Here Bingham LJ, in the leading judgment, inter-preted Junior Books as arising

something that Veitchi ought to have contemplated. Since 1983, however, it has become increasingly clear that for the time being *Justice Books* must indeed be viewed as something of a senith in cases. involving liability for economic

respect of pure economic loss by stating that where the parties were in direct contractual relations; but that contract made no provision for liability in the circumstances which had arisen then there can be no tortious right to recover for bure economic loss not atten-dant upon physical damage. Where does all this leave the prudent businessman, and what sort of advice is he likely to receive if he is unfortunate enough to suffer such loss? Obviously, not all losses will

tract between the parties). The plaintiff recovered for defendant as for example in dislocation to business which occured in the aftermath of the unfortunate demise of the lobsters due to the malfunction last October's storms. After such an event most people look of the pumps, but not for the purely economic losses atten-dant thereon (the loss of profit

to their various insurances and of course the prudent risk manager within a company will be aware that cover is through mark-up). Their Lordships themselves, in Peabody Donation Fund (Governors) v Sir Lindsay Pur-kinson Limited (1985) AC 210 had placed a further limitation on the proceeding of the second will be awars that cover is available against precisely the sort of loss which presumably runned the unfortunate lobster farmer in the *Muirhead* case. In insurance terms this "con-

interruption<sup>•</sup> cover is a rela-tive novelty, having only really become available in the last few decades. Slight variations have developed on the other side of the Atlantic, the principal difference being as to the way in which the period of indemnity is measured.

Although by opting to have this cover a company may almost double the amount of its material damage premium, such cover is fairly common and may be thought to be of increasing importance as industry tends towards systems of operation whereby stock holding is reduced and sales are made more directly dependant upon production. Obviously in such circum-stances any break in produc-tion will have a much more immediate effect upon sales, and thus upon profit. It should be noted that con-

sequential loss cover cannot usually be purchased in isola-tion but is to be had as an endorsement on the standard material damage cover.

preted Junior Books as arising from physical damage, and since the plaintiffs before him had had no property in the allegedly damages items (glass walling units specified to be green but apparently not so) at the time the "damage" (if any) had occurred, then there could be no recovery. His Lordship did not feel, it seemed, that the law in England and Wales was yet such that a plaintiff might recover on a claim for foresee-able economic loss simpliciter. Shortly after Simaan, in Greater Nottingham Co-Opera-tive Society Limited v Cementa-tion Piling and Foundations -Limited (reported in The Inde-In this regard it might again be said that recovery for eco-nomic loss is dependent upon material damage – although rather less directly than at law. It is impossible to predict the direction in which the law will develop, but certainly the deci-Limited (reported in The Inde-pendent, April 1 1988) the Court of Appeal placed a fur-ther hurdle in the path of the litigants seeking to recover in sions since Junior Books might be though to run somewhat counter to what can otherwise be perceived as the recent broad drift in the laws of England and Wales towards greater consumer protection, epitomised by the Consumer Protection Act 1987.

However as matters now stand in the absence of appropriate insurance cover companies may learn to their sub-stantial cost that their ability to recover damages at law is unlikely to extend to pure economic loss apart from certain narrow circumstances. Ian Lupson is a solicitor and produce a claim at law - there may be no allegedly negligent Martin Piers is a pariner at Gouldens, City solicitors

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New issue July 28, 1988

## Nippon Telegraph and **Telephone Corporation (NTT)** Tokvo, Japan

DM 400,000,000 6% Bonds of 1988/1995

101 %% Offering Price: 6% p. a., payable annually in arrears on July 28 nterest July 28, 1995 at par Repayment Frankfurt am Main

**Fuji International Finance** 

Yamaichi International (Deutschland) GmbH Bank of Tokyo (Deutschland) **CSFB-Effectenbank** Industriebank von Japan (Deutschland)

Schweizerische Bankgesellschaft (Deutschland) AG

The Nikko Securities Co., J.P. Morgan GmbH (Deutschland) GmbH Schweizerischer Bankverein (Deutschland) AG

Westdeutsche Landesbank Girozentrale

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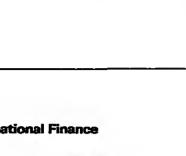
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Aktiengesellschaft

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KENT
The Financial Times proposes to publish this survey on:
2nd September 1988
For a full editorial synopsis and advertisement details, please contact:
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"RELAX, I'LL PANASONIC IT."

Panasonic

## "HONG KONG'S JUST RUNG TO CONFIRM THE ORDER THEY NEED A DRAFT CONTRACT A.S.A.P"

PANASONIC OR WRITE TO: OFFICE AUTOMATION DEPARTMENT PANASONIC INDUSTRIAL UK (A DIMISION OF PANASONIC UK LTD.) 280-290 BATH ROAD SLOUGH, BERKSHIRE SLI 630 FOR MORE INFORMATION ABOUT THE RANGE OF OFRICE AUTOMATION PRODUCTS DIAL 100 AND ASK FOR FREEFONE

In Brief

Mortgage

lending by

banks hits

Britain's banks lent a record

13.3bn in mortgages for house

purchase in the second quarties of this year, 40 per cent higher than the corresponding period? last year, Andrew Taylor

writes. The sharp increase was largely because of a rush to

complete house purchases shead of August L, when multi-ple mortgage tax relief for sin-gle dwellings will end. Higher interest rates are expected to

slow the growth of mortgage

Overseas aid down

**Overseas are down** Public spending on overses aid fell by S60m to £1.280n last year as a result of the bunchs ing in 1966 of major project spending in India, said the Oversess Development Admini-istration. Britain, however, lags only behind the US, New Zealand, Ireland and Austria among OECD countries in pro-vortion to ecompute cultout.

lending.

record

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## **UK NEWS**

By Peter Riddell, Political Editor

prevent local authorities from subsidising council rents out of

general rate (property tax) funds were yesterday outlined by the Government to com-

plete the reorganisation of

The changes, to be intro-duced in April 1990 after legis-lation in the next parliamen-tary session, provide for the ring-fencing of local housing revenue accounts separate

revenue accounts separate from othar local suthority

## **Current account deficit** widens by further £1bn

By Philip Stephens, Economics Correspondent

BRITAIN's trade position showed a further sharp deterioration in June as surging demand in the economy translated into another deficit of £1bn on the current account of

the balance of payments. The Department of Trade and Industry said the shortfall, which was only marginally less than the £1.1bn deficit seen in May, took the current account gap in the first half of the year to  $\pounds5.6bn$ . That compares with a deficit of only  $\pounds1.6bn$  in the whole of 1987.

Evidence in the figures of a renewed jump in imports rekindled speculation in finan-cial markets that the Government might again have to push np hase interest rates to cool the pace of spending.

That in turn brought addi-tional gains for sterling on foreign exchange markets. The Treasury, which last week ordered the Bank of England to intervene to hold down ster-ling, cautioned, however, that the markets should not regard it as "a one-way bet." At Westminister the trade

news was greeted with a flurry of criticism from the opposition Lsbour Party. Mr Neil Kinnock, the party leader, said that after the March budget Britain had become locked into a "vicious circle" of growing trade deficits, rising interest rates and an over-priced

pound. The Treasnry, however, remained outwardly unruffied despite its own internal fore-casts suggesting that the defi-cit for the whole year was likely to be £10bn. The trade gap, it said, reflected the recent strength of the economy. As the economy slowed to a more sustainable rate, the deficit would gradually narrow.

**Report on** 

after 2-year

A REPORT by the Monopolies

and Mergers Commission on the British Steel Corporation was published yesterday

nearly two years after comple

The Covernment had held on

to the report while the corpora-tion's management succeeded in removing evidence from it

steel out

delay

**By Nick Gamett** 

#### Invisible Visible balance Current Imports Balance balance Balance Exports -8.5 72.7 61.1 +6.6 1986 +0.1 -9.6 -2.3 -3.1 -3.0 +8.179.6 89.2 -1.8 1987 21.7 +21 19.4 20.2 20.5 -0.2 -0.9 -1.4 +22 23.3 Qtr 3 23.5 +1.6 Otr 4 1988 +1.2 +1.5 18.8 20.2 8.8 -2.8 -2.8 -0.7 -1.1 -4.0 -4.3 22.8 Qtr 1 24.5 Qtr 2 8.0 +0.5Apr May June -1.2 -1.6 6.5 8.2 +0.5+0.5 6.8

CURRENT ACCOUNT

Figures for Invisibles since April 1988 are first estimates

The Bank of England has raised interest rates by 3 per-centage points since the beginning of June, a tightening which it believes will have a significant impact in cooling demand. Mr Robin Leigh-Pem-berton, the Bank's Governor, said yesterday that the aim was to place effective an restraint on demand without driving the economy into

Whitehall officials also pointed to a surge in imports of capital goods as evidence of an investment boom which will increase Britain's industrial capacity and to a significant

revival in exports. The latest figures, however, also underline the extraordinary buoyancy of demand for imported consumer goods. Imports of cars rose by 14 per cent in the latest quarter com-pared to the previous three months, while those of other consumer goods increased 11 per cer cent. Those figures compare with rises of 11 per cent and 6 per cent respec-tively in capital and intermedi-

functions. At present, some authorities hold down rents for their tenants by using money raised from ratepayers. The aim is to reduce anoma-lies in the subsidy system and widely differing levels of rent items, the volume of imports in the three months to June was 6 per cent higher than in the first quarter and 13 per cent above the levels of a year earbetween similar types of prop-erty. It should remove current obstacles both to the sale of

Exports also grew rapidly in the latest three months but not the latest times months but not by enough to close the widen-ing trade gap. Excluding oil and erratics, the volume of exports was 6 per cent higher than in the first quarter and 6 per cent above that of a year earlier. Exports to European Community countries were particularly strong in the latest

quarter The general view among economists was that even if the economy slowed signifi-cantly, the current account gap was likely to be at least £10hm both this was many to be at reast from hoth this year and next because imports were now. "You have to run fast just to stand still", commented Mr Ian Harwood of Warburg Securi-

On the foreign exchange market, the pound closed 1.25 cents higher at \$1.7260 and rose by 0.5 pfennigs to DM2.1925. Lex, Page 12

ate goods. Excluding oil and erratic

MPs attack 'haste'

of electricity sale

Long-thin ship design **'correct** for Navy'

## By Charles Hodoson

THE ROYAL Navy's rejection of a radical redesign of its warship hull shape was vindi-cated yesterday with the publi-cation of an independent study clearly diamissing the "short-fat" design concept in favour of the traditional "long-thia" model.

model. An expert inquiry carried ont by Lloyd's Register of Shipping, reached ths "firm conclusion" that the short-fat Sirius hull, designed by Thor-neycroft, Giles and Associates, was unable to meet Navy requirements as well as the conventional Type 23, now being built. being built.

"The Type 28 solution is cheaper both to build and to operate and has a better overall performance than can be achieved by a vessel based on the Sirius concept," the report

says. It adds that the Ministry of Defence was correct in its rejection of the Sirias design in 1983.

Mr George Younger, Secre-tary of State for Defence, said yesterday that he accepted the conclusions of the "profes-sional, thorough and impar-tial" report. An MoD spokes-man said the ministry would "certainly make no change to its. Type 23 programme and does not envisage any change in the future." There are at present four Type 23 frigates

FAR-REACHING proposals to houses to tenants and to transfers to private sector and co-op-erative landlords proposed in the current housing bill. The Labour-controlled Asso-

Government puts final touch to reform of local authority finance

Councils face house subsidy curbs

ciation of London Authorities claimed the that annoucement ~ "could send rents through the roof." Mr Maurice Barnes, chairman of the association's housing committee, said councils were "trying to take the hrunt of high London costs and inadequate government sub-sidy from tenants by using part of the rate fund to keep rents at reasonable levels which people can afford to pay. By banning this practice, the Government could be pushing rents up more than £20 in some boroughs."

The Government emphasised yesterday both that subsidies would continue to be paid via a

there was no intention of mov-ing generally to market rents for council housing. A consultative document

charge payers alike, and fairer between tenants in different areas. Rents generally should not exceed levels within the reach of people in low paid employment, and in practice employment, and in practice they will frequently be below market levels." They should, however, be set by reference to what people can pay and what the property is worth rather-than by reference to historic cost accounting forums cost accounting figures. After a transitional period

## Court rejects Libyan bank plea over funds frozen in London

#### By Raymond Hughes, Law Courts Correspondent

MANUFACTURERS Hanover Trust Company, a New York hank, has won the right to

should be able to recover with-out difficulty debts admittedly owed by the bank. Pending the trial the money fight a demand that it release more than \$41m of Libyan is, of course, safs in MHT's hands and there is fortunately funds frozen in its London no question of Libyan Arah branch by President Reagan's anti-terrorism sanctions Foreign Bank suffering any ultimate disadvantage if they succeed, since they will be The High Court in London yesterday rejected a plea by Libyan Arab Foreign Bank,

which is owned by the Libyan central bank, for immediate judgment on its claim for the

money to be paid out to it. The plea was based on a High Court ruling last Septem-ber that Bankers Trust, another New York bank, must hand over \$292m of Lihyan funds that had been frozen in its London branch since Janu-ary, 1996, because of President

gan's sanctions. In that case the court ruled that the money was governed by English law and was not within the extra-territorial grasp of the US.

Libyan Arab Foreign Bank argued that, because its claim against MHT was virtually identical to the earlier case, the decision in that case was conclusive on the issues involved.

However, Mr Justice Hirst said yesterday that because the facts in the two cases were not entirely identical it would be right for the matter to be fully tried.

gave him no satisfaction. "It is of the greatest i

aimed at avoiding "any sharp change in the level of rents". the effect will be to link rent levels more closely to the effi-ciency or otherwise of local authority landlords. Yesterday's consultantive moner same emlicitly that tennew boosing revenue account subsidy, though fixed by the Department of the Environment rather than locally, and

paper says explicitly that ten-ants will be "be given clearer signals about the performance of their council's housing said the new regime was intended to be fairer towards tenants and future community operations. Mr Nicholas Ridley, Environ-Mr Nicholas reliefy, any off-ment Secretary, said that in place of "major inconsistencies between authorities in the con-tributions to housing costs made by rent, rate and taxamade by rent, rate and taxa-pyers," the new regime would make "council landlords more accountable to their tenants and put tenants themselves in a position of greater equity as compared to tenants in other authorities

portion to economic output devoted to aid. Otis consolidates mercial and benking matters but I do not think this consid eration goes so far as to war-rant, without more ado, a sum-mary judgment on an issue of mixed law and fact unless the circumstances of the second case so exactly replicate those in the first that there is no

trial."

\$32000

About 45,000 new businesses were newly-registered for VAT in Britain last year, the highest number this decade, said Mr Norman Fewler, Employment Secretary.

which, in the event, the Liby-ans were successful. It had been anticipated that It had been anticipated that the Bankers Trust case would go on appeal all the way to the House of Lords. However, last October, in a surprise move, the Treasury Department in Washington issued a licence enabling Bankers Trust to pay over the \$292m plus interest, a total of slightly more than \$20m. burgh.

**Festival closes** 

The 16-day 11.8m Festival of London at Alexandra Palace went into voluntary liquidation after four days. Organisers blamed poor attendances and appelling weather.

Rail subsidies fail

Government subsidies to British Rail will fall to £572.5m for 1988/89, compared with £794.7m last year, Mr Paul Channon-Transport Secretary. said.

Long distance bloop

British businessmen may be.

entitled to interest to compen-sate them for the delay in recovering their debt." Saying that it was in the interest of the parties, and in the public interest, that the matter be resolved as quickly as possible, he directed that the case should come on for trial in January. The jndge said that MHT argued that the Libyan bank was not entitled to recover the

was not entitled to recover the \$41m because the banking con-tract between them was gov-erned by New York law and, because of the presidential sanctions, MHT would break US law if it complied with the Libyan demand for the money, Libyan Arab Environ Bank Libyan Arab Foreign Bank argued that the contract was

governed by English law. Mr Justice Hirst said that the issue of the proper law of the contract was a mixture of law and fact.

There was a belief that the US had decided that it would be to its advantage to bow to the High Court, which has lim-ited authority, rather than risk He reaffirmed the view expressed by the judge in the earlier case that it was the general-tule in angliou saw uses a contract between a bank and its customer was governed by Lords - so leaving open the possibility of an appeal to the higher courts in more favoura-ble circumstances should a the law of the place where the account was kept. If was, he said, a rule of the greatest com-He said that his conclusion mercial importance. "I am very conscious of the need, wherever possible, for consistency of decision in com-

the Director-General of Tele-

communications, who was present at the launch, said that

he would almost certainly

allow further companies to run

competitive payphone services on private premises - such as

phhlic houses and hotels

He was also considering introducing more competitors for payphones in public places, but he was concerned that they

would set up payphones on only the most profitable sites, leaving BT with the unprofita-

Mercury has set up 26 phones at Waterloo and plans, to have 400 in operation, mainly in the London area, by next spring. The minimum cost

later this year.

hle locations.

Otis, US lift manufacturer, is to absorb the activities and name of Wadsworth, its UK subsidiary, which at present has a separate marketing organisation. Wadsworth's name may still be used for specialist lifts. possibility of a different con-clusion being drawn on a full Yesterday's roling puts MHT in much the same position as that in which Bankers Trust

Nore businesses that in which Bankers. Trust found itself last year. In the earlier case a High Uclarit deci-sion giving the Libyan bank summary judgment was over-turned by the Court of Appeal, which decided that there should be a full trial - at

## £150m coal deal

Cardiff-based Crouch Mining won a £150m contract from British Coal to open cast 15m tonnes of coal at Dalquhandy, between Glasgow and Edin-.

which was judged commer- | consultation. cially sensitive.

The commission began the inquiry in 1985. Since then the European Community's output quotas have been scrapped and the corporation has moved from being a big loss-maker to a big profit maker. It is also

due to be privatised. Mr John Safford, director general of the British Iron and Steel Consumers Council, said, "It seems quite ridiculous that the Government should spend two years arguing with the BSC over such points, thereby diminishing the utility of the report. It has made us very angry." The 225-page report is on effi-

ciency and costs at BSC. The Government ordered it under section 11 of the 1980 Competition Act, which allows referrais to the commission on the operation and behaviour of nationalised industries.

Among the report's 48 recommendations are that Should improve the way if

determioed what its investment programme should be. Needed to review its stock-holding practice and its maintenance procedures. should institute methods for

improving quality. The corporation had objected

to the use of specific perfor-mance, price and cost figures related to its general steels and strip products division which were removed before publica-

Yesterday it welcomed the report and said many points raised in it had been addressed since the investigation began.

In a report on the findings of its seven-month inquiry into the privatisations plans, the committee accused the Government of discovering new prob-

By Maurice Samuelson

THE GOVERNMENT was told

yesterday to stop trying to rush the electricity industry

into the private sector before it

had worked out major implica-

The House of Commons-Select Committee for Energy, which made the call, said that

plans to present a Bill to Par-liament in November imposed

a "frighteningly tight time-table" on the Covernment

which should, if necessary, delay the process by at least

six months to allow for fuller

tions of its sell-off policy.

lems as it went along, with the risk of producing "ill-consid-ered legislation." Officials in Whitehall, trying to brush off the report, said many of its queries, such as those on how the private elec-tricity industry would be regu-lated, were already being dealt with.

Even so, ministers are expected to comply with the commit-tee's urgent request for an official response within two months. **Opposition** politicians were

delighted with the report. Mr John Prescott, Labour's energy spokesman, said it showed that the electricity industry was being forced to take "an ideo-logical leap in the dark". Labour would now demand a

second White Paper (policy document) on the future of the industry before any legislation was tabled, he added. Commenting on the report's

call for a separate regulator in Scotland. Mr Donald Dewar, shadow Scottish Secretary. said the Government should now introduce separate elec-tricity privatisation legsisla-tion for Scotland

tion for Scotland. Presenting the report at a Commons press conference, Sir Ian Lloyd, chairman of the Conservative-dominated committee, said that in trying to assess the Government's intentions he and his colleagues had been "sailing uncharted seas". Comparing it with other pri-

Sir Ian Lloyd: uncharted

vatisation measures in the Government's programme, he said there was "no real precedent for a change of this mag-nitude" and that there was "great uncertainty" about its bjectives and the methods of

achieving them. As well as uncertainties on how the industry would be regulated, two unresolved issues stuck ont whether the cus-tomer would benefit and the effect on certainty of electricy supply.

Among its 50 conclusions and recommendations, the committee makes several which have not yet appeared in the Government's published

proposals. They include an arrangement for a future hreak-up of the two companies which will be initially involved in a 70:30 share out of the power stations in England and Wales.

Other proposals are: • A regulator should be appointed very soon to overlook the forthcoming negotia-tions between the coal industry and the embryo electricity

• Existing generators should Klisting generators should not be sold at a discount as this would discriminate against new entrants;
 Existing generators' nuclear business must be "ring fenced" for regulatory purposes.

nder construction, and the MoD recently announced plans for three more. The spokesman dded that the Navy used the

short-fat design for smaller vessels such as mine hanters and offshore patrol bosts. Thorneycroft, Giles argued that the short-fat hull design offered substantial advantages for frigates and destroyers in building and maintenance costs and in construction time. It also claimed that such ves sels would be more stable and manoeuvrable and capable of THE FIRST payphones to compete with British Telecarrying a greater weapon outcom's service were launched

After the initial findings of After the initial findings of the inquiry, the company developed a longer version of the short-fat hull, but this too was rejected by Lloyd's Regis-ter. The 20-month inquiry found that while the new ver-sion, the S115, came closer to macting Navy combinement it They were sited at a number of locations at Waterloo railmeeting Navy requirements it was still inferior to the Type 23 in a number of important areas.

It would need 69 per cent more power than the Type 23 to meet the Navy's maximum The Office of Telecommuni-cations gave Mercury permis-sion to offer a competing serspeed requirements; it would cost more to huild and operate and would exceed noise limits vice nine months ago when public concern about the reli-ability of BT's payphones was for use in towing sonar, the report said. st its height. Professor Bryan Carsberg,

tance to the reputation of the City of London as a banking and financial centre that cus-tomers of a London-based bank

By Hugo Dixon

way station, London.

mications.

BT's.

yesterday by Mercury Commu-

Mr Gordon Owen, Mercury's

managing director, claimed that the new phones would be cheaper and more reliable than

It remains to be seen whether the particular facts of the MHT case create such circumstances.

VICE. . .....

phones.

able to "bleep" US counterparts in New York next year after British Telecom announced a £16.4m takeover **Mercury gives Britain first** of Metrocast, the American radiopaging operator. The ser-vice could be extended to competitive payphone service Europe within four years.

New radio station

The go-ahead has been given for Radio Tara, an Irish-based of a call is 5p and Mercury says the average cost of a call will be between 5 per cent and 20 commercial radio station, which could reach a potential audience of 25m people in the per cent cheaper than BT's ser-UK.

#### Sunday deliveries

New services offered by the Post Office could include Sunday collections and deliveries. said Sir Bryan Nicholson, chairman. The news came as the Post Office announced a 25 per cent increase in profits to £212m.

By the end of the year Mer cury phone users will be able to order a taxi or book a hotel or theatre seat just by pressing a single hutton.

Mercury's payphones use credit cards and special phone-cards, but not cash. The boxes

are designed for wheelchair

thay did not use cash and would be cleaned daily the

Mercury sites were less liable to be vandalised than BT's pay-

Mr Owen said that because

**NALGO strike cali** NALGO, the local government officers' union, is urging its members to vote for industrial action in the automn

Ministers investigate £12m transactions with investors' funds

## Isle of Man tracks Clowes movements

#### By Ian Hamilton Fazey, Northern Correspondent

**Today newspaper claims sales** recovery to more than 500,000 By Raymond Snoddy

than 500,000.

THE TODAY newspaper, Mr Rupert Murdoch's mid-market tabloid, claimed yesterday it, had passed the 500,000 circulation mark for the first time since the period immediately after its launch in 1986.

Last week the unsudited average daily figure for the colour paper founded by Mr Eddie Shah was 510,861, a consider-able turnaround since Mr Murdoch bought the heavily lossmaking newspaper from Lonrho a year ago in a deal worth

At the time the paper was losing £31m a year and although the circulation was publicly claimed to be around 330,000, Mr David Montgomery,

the paper's editor and chief many consumer issues such as value-for-money holidays. executive, says it was actually less. "If it was 300,000 that was the height of it," Mr Mongomery said yesterday. The Today editor believes the paper is now selling at the rate of 535,000 a day and that

It is believed that losses were cut to just under £19m in the year to June and the target is to take this figure below £10m this year. Break-even circulation is probably somethe July average will be more where between 650,000 and

700,000 and advertising reve-Mr Terry Sullivan of TAP Media Research (formerly Hol-born Research Services ) estinue is starting to rise . When Mr Murdoch took over a year ago it is believed that mates that this gives Today a advertising revenue was runreadership of more than 1.3m. ning at around £80,000 a week. Since he took over Mr Mon-gomery, a former editor of the News of the World, has aimed The total advertising revenue for the financial year to June 1988 was £5.56m, it is believed, with more than £3m earned in the paper firmly at the young and enterprising property-ownthe first six months of this ing classes and campaigned on vear.

ABOUT fizm of Barlow Clowes investors' money has now been traced to the Isle of Man, mainly to companies selling helicopters and executive jets and to three private investnent companies. Isle of Man ministers decided

yesterday to investigate the transactions to see if the island's banking regulations had been broken.

had been broken. Liquidators from Cork Gully are also questioning payments made to tha International Trust Corporation (ITC) of Ramsey, which is owned and run by Mr Peter Clowes's hours corporation on the followes's known associate on the island, Mr Peter Henwood. Investigations on the island

have shown, however, that the picture would have been much worse had Mr Clowes not been twice rebuffed by the Island's Financial Supervision Commission (FSC) when he tried to buy two banks - the Celtic Bank and the Douglas Bank. He then tried to buy the ITC, a private company engaging in

ŝ

a wide variety of businesses, from Mr Henwood. The island government could not have stopped this going through and the sale would have gone ahead had not the Stock Exchange crash last October wiped out the value of shares in James Fasturen Holding in James Ferguson Holdings, the Barlow Clowes parent, which were to be used to pay for the deal.

The FSC's actions will almost certainly raise further questions about the rola Britain's Department of Trade and Industry, for they came at a time when the DTI was in the process of relicensing the

The man behind the refusals was Mr Jim Noakes, the bankthe island to set up more effectivs supervisory machinery after the Savings and Invest-ment Bank there collapsed with £42m of depositors' funds

Mr Noakee's knowledge of Mr Clowes is understood to have come from the FSC's network of intelligence on the financial industry worldwide, which is closely linked to that of the Bank of England. This almost certainly means that the Bank of England knew enough about Mr Clowes to warn sgainst him when the DTI was giving him its imprimatur again. The fact that he was licensed

by the DTI was used by Mr Clowes in an attempt to prove his respectability to the Isle of Man government and get the PSC sanction against him overyesterday: 'We are having dis-cussions with Mr Henwood and ruled. However, he reckoned without the way in which the present island government interprets its own appeals pro-cedures against FSC decisions. Theoretically, any decision can be appealed against, but Mr David Cannan, the present finance minister takes the looking into certain pay-

involved are Corporate Avia-tion (formerly Manx Helicopters) and Lear Jet Sales. Mr. Henwood and Mr Clowes were involved in both and Mr Guy finance minister, takes the view that this should be invokable only if an institution Cramer, the Leeds entreprealready operating on the island

has its licence removed. This is seen as in keeping with principles of natural jus-tice, whereas would-be deposit-takers who are refused by the FSC are merely being turned away, not being deprived of an existing livelihood.

the decision-maker.

ments."

with Mr Tim Beer of Peat Mar-wick McLintock of the Savings and Investment Bank. He said

The aircraft companies

Henwood on Mr Clowes's behalf in trying to buy the Celtic Bank. They offered clow in James Ferguson Holdings paper to the bank's owner, the The view is that if they were allowed to appeal come what may, the government, not the FSC, would in effect become

supermarket and property mil-lionsire Mr Albert Gubay, Mr Gnbay says that he showed them the door anyway, its spective of the licensing impl Mr Michael Jordan, of Cork cations. Gulley, is also the co-liquidator

assets unfrozen by the High Court, is a former director of Corporate Aviation. Mr. Cramer acted with Mr

The attempt to buy the Douglas Bank - which has since been acquired by the British and Commonweath group with full approval of the FSC - was also made through a nomines. Discussions broke down after the FSC insisted that the identity of the ulti-mate beneficial owner of the beneficial owner of the

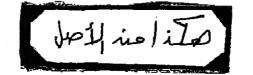
bank be disclosed. Mr Henwood was either not available or away during the. FT's inquiries on the island. Cramer, the Leeds entrepre- has since been said by staff to neur currently trying to get his be "on holiday."

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six years ago.

Barlow Clowes operations in the UK.

ing supervisor, a Bank of England official seconded to



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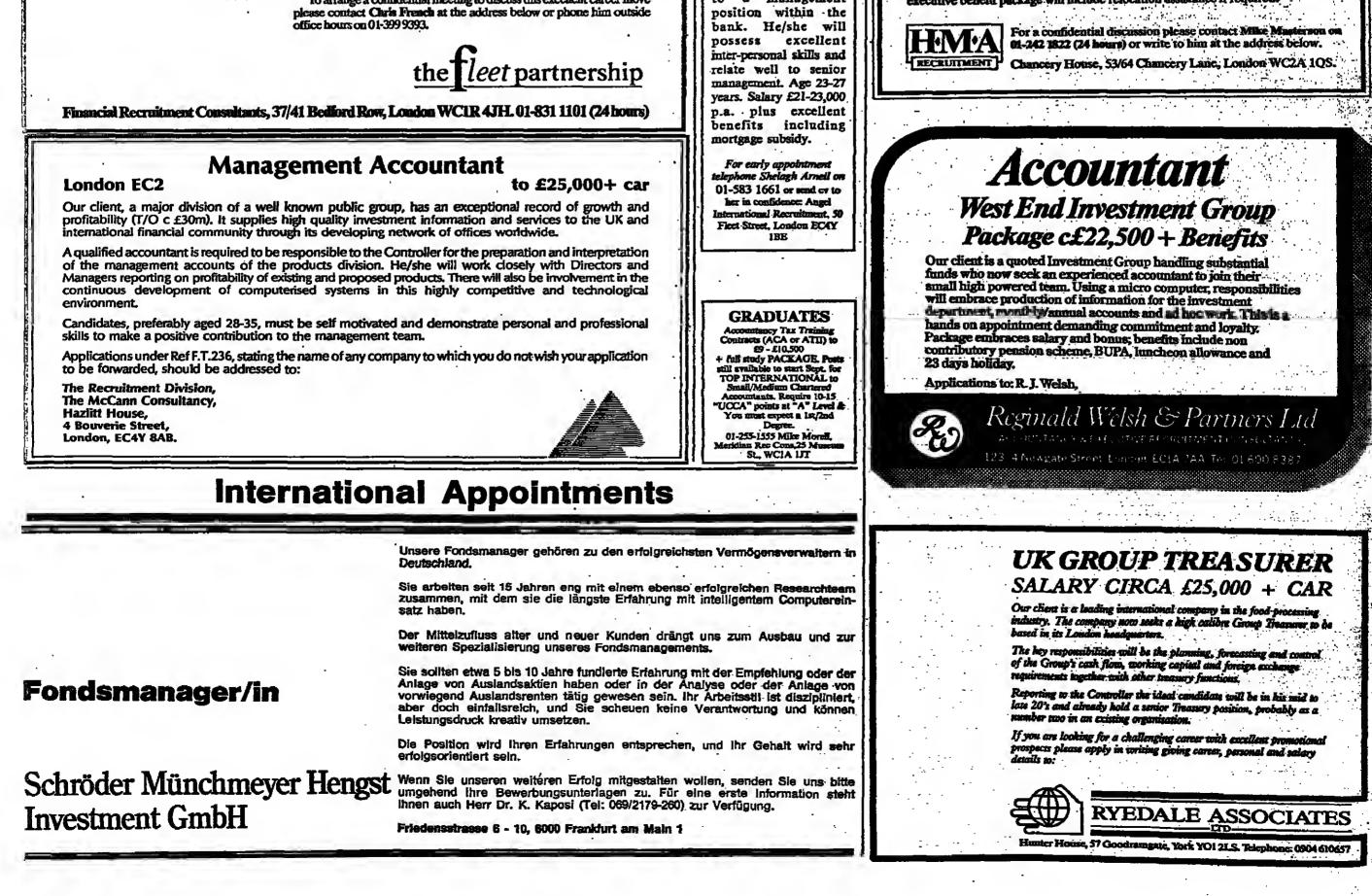
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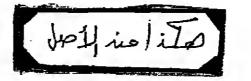
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## ARTS

## Così fan tutte at the Aix-en-Provence Festival

Of Aix's three operas this summer, Denis Llorca's new production of Mozart's celles-production of Mozart's celles-production of Mozart's celles-phas's 'in uomini, in soldati was an irresistible example. But Miss Upshaw's Despina was annyhow irresistible clever staging and a fine con-ductor and orchestra. The night before seeing it, I was forewarned by a wonderfully sympathetic Haydn oratorio performance in Saint-Sarveur Cathedral with some of the same performers. In accor-dance with Aix custom The same performers. In accor-dance with Aix custom The Creation began a quarter-hour inte (something which the phi-losopher Leibnix held to be



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losonher Leibnix held to be logically impossible), but thereafter time flow by with the utmost grace. Despite the grave "Represen-tation of Chaos" at its outset. The Greation is a cheerful, down-fo-egrifi- celebration, dewily simple as only an old master could contrive. Con-ducted by Christian Thiele-mann. a new Berlin discovery. mann, a new Berlin discovery, the English Chamber Orches-tra revelled in Haydn's pictur-

tra revealed in Haydn's pictur-esque effects, regularly enhanced by the flautist Wil-ham Bennett, in best form -like the reliable Oriana Choir. The two soloists borrowed from Coel, the tenor Hans-Pe-ter Blochwits and the young American soprano Dawn Upshaw, sang with exuberant warmth and wit; and though the bass Gilles Cachemaille -one of the few French singers to be heard in the festival -was a last-minute substitute, was a last minute substitute, he supplied polished tone, dic-tion and authority as well as an air of amused innocence. (He must surely be an operatic actor of parts.) If all perfor-mances of The Creation were as inspiriting as this one, we should he hearing it every



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operatic artist. At curtain-call she shared the final honours with her considerable semior José Van Dam, whose detached, frontc

Dami, whose detached, ironic dignity as Don Alfonso anchored the action without the least apparent effort. (if Bergman were to film a Cosl, Gunnar Björnstrand would be a twin of this Alfonso.) The sorely tested lovers were a piquant mir: Brigitte Pos-chner-Klebel's Flordiligi a pouting, lymphatic blonde

pouting, lymphatic blonds against Eirian James's sparky little whippet of a Dorabella, Blochwitz's Ferrando a smurly source of romantic against Olaf Baer's Guglielmo, siturnating parody-Italian passions with sudden, wilting shyness.

Llorca has set the entire action in a sort of municipal gaming- and party-room, con-stantly spied upon by servants and strangers as well as the saturnine Alfonso, and repeat-edly invaded by anake-dancing masqueraders. (From the very overture, a mute couple re-en-act a version of the episode in which Mozart's bride Con-stance shocked him by expos-ing her garter at a party.) The final tricks of the staging are perhaps too close to mere Bar-rault-esque chic, but Llorca has the essential flair for Llorca has set the entire has the estential flair for bringing characters into explosive confrontations, always powered by the music. This is an 'Aix production' which should bear many happy returns.

**David Murray** 

COVENT GARDEN After an absence of 12 years, the Australian Ballet has the Australian Sallet has returned to London to mark Bicentennial year. And to sug-gest something of the changes that have taken place since their last visit, and notably those owed to the artistic direction of Maina Gielgud, Tuesday night's opening gala offered that ultimate classic test-piece The Sleeping Beauty. Be it said at once that the

Be If said at once that the company approach the work with a bright edge of energy to their dancing. The choreo-graphic text is, in the main, the traditional Old Royal Ballet Version, with some additions by Miss Gielgud, and the Ans-tralian artists are unhesitating in their assumes to art and in their eagurness to cut and shape Petipa's patterns with whole-hearted enthusiasm. It is a view of classicism marked by frankness, a kind of sunny insouciance. You will seek in vain for a more noble manner, a certain reserve which is the

a certain reserve which is the special mystery of the danse d'école, looking beyond the immediate physical act to a decorum of spirit quite as much as of body. The dance, is nevertheless, honest, and the company style coherant. The most immediate worklean in the stating is that

problem in the staging is that

it appears un-serious about Beauty as symbol of a society, and a way of behaviour for perand a way of behaviour for per-formers other than as fairy-tale characters. The fault lies ini-tially with the design by Hugh Colman, which I found Inrid, improbable. The prologue is a madness of gold scroll-work set dramatic logic of Chaikovsky's score or the confrontation of good and evil implicit in the against a particularly vicious turquoise background: it looks like Dame Edna Everage's bou-doir. The first act might have been done by Fragonard during a nervous breakdown; the finale, vaguely Hapshurg and littered with blue and white hussars, suggests nothing so much as an operatta in search of a waltz-song. Costuming is, with the exception of severe outfits for Aurora's friends, transcendentally fussy. Thus constrained, the staging never enquires beneath the surface of the dance for mean-ing - about the emotional and



#### Christine Walsh and David Ashmole

Her Majesty the Queen on Tuesday night, was missing within the living traditions which should have ensured its SDCCESS).

Leading the performance were Christine Walsh and David Ashmole. Miss Walsh, with her slender, pretty build, is an Aurora having a light and happy cantabile style. There are no clouds in her interpretation, and at her best - in the first act solo - she displays a naturally joyous and engaging manner. She is musi-cal, and the grace of Chalkovsky's writing here touches every step, every phrase, in delightful fashion. She was delightful, too, as the vision of Aurora, though ill-served both by her variation and the dim

clothes.

nightdress she had to wear for choreography that requires a tuto.

Mr Ashmole, known to us from his years with Sadler's Wells Royal Ballet, is an un-mannered Prince: his dancing, like his characterisation, is forthright, secure. Among the other performers, I liked the fleet Lisa Bolte as one of Florestan's sisters, and I salute the ever-helpful conducting of John Lanchbery, who guided the score with unfailing understanding. The gala was, be it gratefully noted, sponsored by M.E.P.C.

**Clement** Crisp

though Barrie reveals an unex-pected line in purry bitchiness between the two bickering old print-connoisseurs ("Let me hold it out for yon as your arms are so short ), and a moving insight into the frail, well-meaning inadequacy of the very old. As the bewildered husband of the elfin child with her quarter-century disappear-ances to Neverland, Jamie Newall plays, with intelligence and sensitivity; as the educated gillie studying for the ministry, Liam Brennan's Heb-DY V ridean lilt wanders from Wales to the Levant via Mitteleuropa, and the earnest young man is a figure of fun rather than the Shavian paradox of the TV ver-sion. But both actors age 25 years with immense conviction - and middle age is much harder than senescence for young performers to portray. Heroine of the evening is Savourna Stevenson underlining the ghostly action from the pit with her own harp music. "In memory everything happens to music," says Tom in The Glass Menagerie. It does here, and insulates the play personal. The scales first disfrom our practical disbelief with e layer of ethereal layer detachment. The ultimate encounter between son and spectral, unrecognising mother, is beautifully cocooned by the caressing music and Ben Ormarod's lighting. The Moscow State Circus began its British tour in Battersea Park last May and winds

## Ruders' Violin Concerto CAMBRIDGE FESTIVAL

This year's Cambridge Festival, running through the second half of July, takes the United States as its theme. The concert given by the Matrix Ensemble under Robert Ziegler in the University Music School on Monday carefully reflected on Monday carefully reflected that, arriving with a pro-gramme largely devoted to works for string orchestra by a refreshingly unhackneyed selection of 20th-century Amer-icans. The rhythmic unisons and enforced extroversion of Charles Wuorinen's The Grand Bornbards concerned a charle to Bambonia seemed a shade too insistent, and it sat uncomfortably alongside the honest tran-scendentalism of Ruggles' Por-tals and Wallingford Riegger'e proto-serial Study in Sonority for ten violins.

The concert ended with a suite drawn from Bernard Herrmann's score for Hitchcock's Psycho, but its novelty had been Danish - the first British performance of the 1981 Concerto for violin and double string orchestra, harpsichord and harp by Poul Ruders. Ear-lier reviews here of Ruders' curiously disturbing pieces have concentrated upon his more recent music; where they came from, and indeed the overall shape of his output are still unclear as far as British andiences are concerned.

The first impression of the Violin Concerto is of a work set apart from the mainstream of Ruders' development. The composer's own description of it as a neo-baroque homage suggests pastiche, and

(three unbroken movements lasting approximately 20 min-utes) and the obvious Vival-dian references and motives, there is a good deal more of Ruders distinctive personality than one might expect: the vio-lin'e figurations soon escape from the four-square frame and

from the four-square frame and divide into fives and sevens; the antiphonal effects from the strings begin to collide and break up the ostinatos. The movements all carry evocative titles - "Echoes of spring", "Lullaby", "Winter chaconne" - suggesting, per-haps, a hidden programme, yet throughont Ruders preserves the calm, objective exterior of the calm, objective exterior of the music. For all the disorien-tating twists, it constantly returns to its baroque founda-tions and the closing bars of the finale quote directly from the Four Seasons; the final impression is one of a disquieting ambivalence between impersonal restraint and more explicit expressiveness.

the use of double strings, each group with its own "continuo" reinforces that impression. But despite the modest scale

It is not one of Ruders' more spectacular constructions, but throws e valuable sidelight upon his complex personality, as well as making a useful addition to the contemporary violinist's repertory. Rebecca Hirsch played the solo part immaculately, while the Matrix strings were an able and com-mitted band.

Andrew Clements

## Lloyd's Fourth Symphony ALBERT HALL

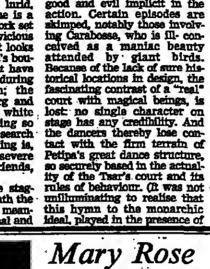
The Proms commissions arrive The Froms commissions arrive in a furry over the next week. David Matthew's Cantiga received its first performance last night, and Michael Fin-nissy's *Red Earth* follows next Tuesday. The sequence was started on Tuesday, however, when Sir John Pritchard con-ducted the BBC Symphony ducted the BBC Symphony Orchestra in the world première of Jonathan Lloyd's Fourth Symphony.

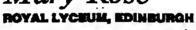
Lloyd has taken the sym-phonic road relatively recently: all four have been written in all four have been written in the last five years and the highly poetic titles of his ear-lier pieces have been replaced by something more austere and abstract. Poetry has not disappeared altogether from the title page of the Fourth, however - it carries a short poem by the composer which begins "A world wider than the eve" - and his ear for uncereye" - and his ear for unex-pected sonorities and melodic quirkiness has not been cowed

charge into a fugato-like tex-ture, and later become submerged under the exuberance of a dance band; if that descrip-tion suggests latter-day lves, it should not, for Lloyd's material preserves its integrity, and diversity within a unity rather than the opposite seems to be his aim.

Whether it sustains its length, a single movement lasting roughly half an hour, is another matter. There are some riveting moments, collu-sions of invention and texture that are unique to Lloyd's style; nothing is predictable. But the sense of necessity about such an ambitious, stylistically discursive scheme is less clear and one wonders if the music will continue to be as diverting on the tenth hearing as it was on the first.

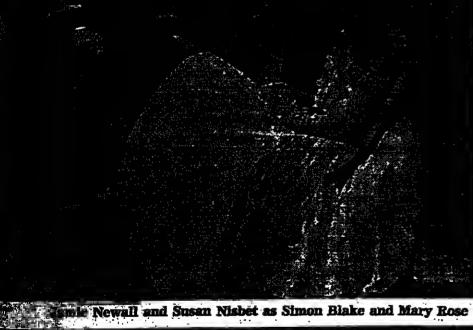
The new symphony was only one element in a highly varied programme of twentieth-cen-tury works which Pritchard conducted with exemplary clarity and control. It ended with the second suite from Ravel's Daphnis & Chloe ballet, and began with Debussy's Symphonic Fragments from the Martyrdom of St. Sebastian, each movement allowed the space to expand quite natu-rally. Timothy Hugh, the BBC SO principal celloist, was the soloist in Britten's Cello Sym-phony and with Pritchard's support presented a splendidly urgent, impassioned account, in which scarcely a single point of expressive detail was allowed to pass unnoticed.





Last Christmas saw a surprisingly successful television version of J.M. Barrie's story of a girl who vanishes on a Hebridean island for 25 years a neuroscient island for 2 years and returns, unchanged, with no recollection of where she has been, as if time had stood still for her. There but for the spirit of Cettle faërie goes one of J.B. Priestley's time-plays. Mary Rose dies but haunts the Mary Rose dues but mannes the old family home, a wraith in constant search of the haby who grew up and ran away

The production intriguingly combines past and present throughout. For the Aussie's dream flashback the crumbling room is refurbished only by the remembered apple tree, trundling on like a tryffid to poke through the drawingroom window; otherwise the old crates, ivy, broken panes and dust-sheets on the settee remain for the whimsical Morland family and the wooing of their daughter by young naval officer Simon Blake. The predatory island is faintly stylised, its two bent trees evoking another Celtic playwright: is Mary Rose waiting, without realising it, for Godot? More As with the TV adaptation, the final scene, when the Aus-tralian soldier takes the eternally youthful ghost of his mother - for he is the run-away son - on his knee. comes off better than anyone could hope from reading it. Rohin Begg and Susan Nisbet play straight, with integrity and tact. The vision of a tired ghost, aching to get back to that dimly-remembered happy place where she can play and forgetting what she seeks, is tonching. Elsewhere Miss Nisbet has dealt plackily with such Fotherington-Thomas effusions as Goodbye, old mossy seat ... nice rowan." The older generation, bewhiskered and plummy-



Paris

Carts Ma

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in museums and Metro stations, employ visitors to avoid queues at

empose vanoes to aven gueras at 60 nuesome and honuments, includ-ing the Louvre, Musée d'Oraty and Versailles Palace. Galérie Odernati-Casses: Guillato-min's deep blue of the Mediterraneau.

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**ARTS GUIDE** EXHIBITIONS

London The Regal Academy, Clasme - The Barty Their Staff, A. academizated and Hamineting study of the forma-tive period of one of the greatest art-lets of the 18th contray, and one of the semiral rightnes of the modern movement, Although he came to greatistic in his middle and later years, the inhibition of his early period year reveals his work in all his complexity and consinaliziony geals Ry. Sinds August 1. The Reyal Andersy Remmer Exhibi-tion. The 20th Summer Exhibition in an approximation space. a sill a silictory quak a sin universite Summer Exhibition a sin universite sequence, the show is us dense and binner to be discovered, a scrittlyingly large number supplied by the Asiginations (hermelvet, Daily instil August 7. The Engrand Galler unid, August August

1976 - 1977 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 - 1976 -

Daily instit August 7. The Expression Gallary, (Two axhibi-tionio, August Penguhna is a fascinati-ma study of a group of young painies achieve in Melhourne during and just ample Albert Euclass are all shown in immunities Bailoun Alaco paintings from the Phillips Collection in Wash-ington, actuality from the 18th one-tury to the present day, from El Gapon, through Gays and Ingres to Prancis Bacon, its greet strength is newsetbelogs in impressionism and Prancis Bacon, its greet strength is newsetbelogs in impressionism and Prancis Bacon, and Picasso, Bon-ment and Matters. Both shows run-meth August M. Control prevention price and the converten-tion will in the BLAD per plane of water on State for the Banda and on 8, 197.50 per share of Correct Bank, when the Magraph.

The Bank of Takys Trustes for the Br The Full Bank Trust Company SPIRT AND

Date July 20, 2005

mill Angust 14. British Museum, Ukiyos - Imagas of Chimown Japan. This exhibition of acquints quality brings to us, through masters of the wood-block prim, the magical "Flocking Work? of pleasure and the summe that was Edo Quodeen Tokyo) in the theo of the Shogmas - from the 1800s mult the Shogmas - from the 1800s mult the Shogmas - from the 1800s mult Partratis. An intriguing show of recept work on a subject that has fastional the Stotish sculptor, Enume of Paoloni, throughout his Mang international carver, Unstil Ansatz 7. 4. 1973<del>74</del> 4. 1973 

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while she was presumably occupied with other wee folk. Barrie can currently be seen on his native if not blasted heath, in the stellar cerulean of Edinburgh's blue and gold Lyceum. The play has had few revivals since its runaway 1920 success - perhaps catching the post-war passion for spiritualist contact with the lost the last youched for London sighting being at Greenwich

two seasons ago. Hugh Hodgart's production gets off to a chronologically odd start with the post-Great War housekeeper showing the ex-ANZAC round the derelict house in impeccably Edwardian long skirts of 20 years before. Hopes or fears that everybady might be ghosts are dispelled. Designar Gregory Smith merely has a quaint way with costume, as illustrated by the fey child's entry, back in the 1880s, as a red-haired Ophelia-type, barefoot, in what bewhiskered and plummy-appear to be Victorian under- voiced, is too unvarying.

Martin Hovle

July 22-28

basis of Peter Rabbit and the entire tequence of 22 watercolour The Tailor of Gioucester, is Tate Gallery, Ends Aug 21, ster, lent by the

Chicago Art Institute. Photographs by Josef Sudek. Using his native Prague as the background, this avant-garde photographer, who died in 1976, cap-tured the lyrical quality of the Canoh paople and the country's beantiful landscrepes. Ends Sept 6. Art Institute. More than 50 Dutch and Fleentesh 17th century master-pieces from the Hermitage in Lenin-grad kick off a collaborative effort among several major American and Soviet museums with works by Rem-brandt, Rabens, van Dyck and Frans-Hals. Ends Sept 16.

#### Washington

Veneron Second on Anyone visiting Vision must see Custav Kimi's Beethoven Friere in the basement gallery, Kimi and other Austrian artists, fed up with the stuffiness of the Imperial Academy, broks away to form the Seconsion movement in 1897, which sought to escape from popular taste through emerimating in eithorate Second movement in 1997, which sought to escape from popular taste through experimenting in elaborate commentation. Until the end of July. Palais Harrach. A marvellous exhibi-Prime Harriso, A marvelous ermon-tion of graphics and sculpture by Salvador Dati. Until the and of July. Messagelast. Imago Martico, A rich, exotic collection of Martican art, phot graphs and graphics from 1800 to 1860. Ends July 31.

New York American Craft Museum. An ambi-tions show that traces the history of American architecture back to the turn of the century and empha-sizes the work of artists like Tiffany, Lawrie and Louise Neveleon who were commissioned to add art to the architecture. Ends Sept 4. Pierport Mergan Library. Over 300 items from the life and art of Bestrix Potner show the evolution of the artist and her work. Included are the Illu-trated Letter, discovered only months ago, to Noel Moure that became the

i

lowed genre. The instrumenta-tion includes electric guitar, banjo, drum-kit and a quartet of saxophones, and the energy of jazz and dance inflections constantly disrupt the surface.

The symphony begins, though, with utter seriousness, gradually delineating e scale of C major, and attracting further twists and curls as it gains in definition. It sets up a spacious framework and real symphonic expectation, though the ways in which Lloyd fulfils and contradicts that expectation are by turns traditional and highly

· Andrew Clements

## Moscow State Circus ALEXANDRA PALACE

and communal high wire acts, Circus Oz, the Karamazov Brothers and the Pickle Family

have been the ontstanding

tine laws and the animal rights lobby. But the Moscow State is

human circus skills, with the sensationally exciting climax

of horse-riders from Turkestan.

test literature to quenes of happy families agog with the expectancy of pure pleasure.

And, tucked up with my pop-corn and beloved offspring,

pure pleasure it certainly was. The band played the right kind

of circus music, proceedings were supervised by a ringmas-

ter in black topper, white gloves and red tails, and the audience basked in the warm

glow emanating from a most

a compendium of the highe

nace-setters.

wonderful clown, Anatoly Marchevsky.

Like the great Popov, like up next week in Christchurch. Chaplin, Marchevsky mingles humour with pathos and is a Sussex. Londoners have a last chance to catch this thrilling master of exploding gesture. spectacle under the travelling Big Top staked out in Alexan-dra Palace until Sunday. His role is one of underdog, unwanted by the circus official who chases him round the ring and prevents him skipping, In recent years, circus has been hi-jacked by the soft vege-tarian left. We have had, notadrinking water or talking to women. He takes revenge through skill, on the edge of bly from Australia and the other acts, on a unicycle, as a moving statue freeze-framed in West Coast of America, a posthipple radical circus of long-haired jugglers, feminist trape-zists, heavy metal rock bands attitudes of comic deflance at each second of danger.

There are superb jugglers, a heart-stopping high-wire expe-dition up e 45 degree gradient into a glitterball galaxy, a snake-woman contortionist But occasionally you yearn nostalgically for the "real" escapian of Chipperfields and Victor Mature in *The Big Cir-*czs. The days of caged lions and performing seals, alas, are gone, thanks to both quaran-tics internant the animal rights who can place her chin on her hands while simultaneously tickling her ears with her heels (think about it but don't try it unless you fancy yourself as a praying mantis), and a girl who can wear about two dozen top-speed hula-hoops like a rainbow garment.

No-one in radical circus can do inter-linking reverse triple somersaults on the high trashiding down a spring ramp while balancing on his fore-head a fifteen-foot steel pole This last item no doubt prompted the dismal sight on Tuesday night of bedraggled "animalists" distributing pro-(plus standing woman). Such artistry is the prerogative of the *real* circus, as is the ath-letic, bareback horsemanship of the Cossack riders. How so many magnificent horses filled so small an arena at such high speed to the accompaniment of such suicidal human dareder

ilry will remain a pleasantly alarming mystery to me for as long as I live.

**Michael Coveney** 

in the domain of art - his Malong amhition. (65.65.48.14). Both exhibi-tions closed Mon; and Ang 14. Institut in Monde Arabe, 23 Guri Saint-Bernard. Holy Places in Saudi Arabis. Magnificant architectural models of the Easths in Mecca and its black broads wall with varses from the Konan emitwidered in gold provide the non-Mealean with a realis-tic image of the ahrines of Islamic playtings, (46.54.53). I pm till 8 pm, closed Mon. Ends Sept 13. Mediterranean for over 1,000 years. Many of the 1,200 objects displayed (gold and allver jewellary, statuse and reliafs in terracotts, brome and ivery) are extraordinarily beautiful Until Nov 6. Switzerland Switzestiend Martigny. The Gianadda Foundation -is showing the second part of free-sures on loan from the Sao Faulo Museum. Entitled From Marset to Picesso, it is especially rich in Renders, from acclety portraits and little givis in frothy ince and pink and blue swin, to a lissity inde. Van Gogh, too, is well represented. There is Oceanne's portrait of his wife, a Tabrit access by Gauguin, early Pices-sos and Marset a Maria Leisburg. (23978). Ends Nov 5. Netherlands

Amsterdam, Tropennessum, The arts and qualts of Indonesia, Ilnsarts and crafts of Indenesia, Illus-trated with more than 500 objects in bronze, bumboo, textiles and pre-clous metals spearning 2,000 years of cultural history. Ends August 21. Ansterdam, Ethosmuseum (rear subtance). Divine Bronzes (some no more than 5cm high) illustrate the stylistic development of Indo-Javanese religions images from the 7th to the 18th centuries. Ends July 21.

#### West Germany

Weet Germinisches Cologne, Rozsisch-Germanisches Musseum Cesser's Glass. The most important display of Roman glass ever staged. It covers the parted from Cesser to Jastimizm, from the first century BC to the 5th century AD. A joint project between the Coming Musseum of Glass, New York, the Reit, ish Musseum, London, and the Rom-jsch-Germanisches Musseum in Cologne Until Ausure 38. ogne, Until August 28. din, Schlob Charlottenburg, Grobe Series, School Charactenenerg, Groos Oringetie, Tressues from the Top-capi Serail – Saleyman the Ponpous, Most of the 170 articlets originate from Ottomm Empire under Sulten Suleyman (250-1586), The exclusion Suleyman (250-1586), The exclusion Ends July 31.

# Verseilles Palze. Galéria Odarmati-Cansez. Gofflav-min's desp blue of the Meditarraneen, freined by green pine trees and comp-earth, entices the passer-by into an eclactic exhibition of source 50 works by the masters of the 19th and 20th centuries. A mominental 1957 wooden aculpture by Zafkin watches over a representation of a seated worm by Picaseo, a pastel of two dancers by Diegas, and another by Gaugein, showing two boys fighting, 65 his Free Fanhourg Saint-Honoto (42.65.92.50). Ends July 30. Grand Palais. Le Japonisme. 400 exhibits her witness to the estimat-sam which swept the Western art world for all things Japunese in the second half of the 19th century. Moreof december of the sector of the second december of the second second problem of the 19th century with Japanese prints and bulls a Japanese bridge in its gardens. Van Gogh col-lected Japanese woodcuts and repre-sented them in his paintings. Closed The (62.65.63.51). Ends and the strend manifer over Benhourg for three membra from the ground floor upwards. The postwar creative dyna-mism of the Fillich is represented by cars, comics, munic, chema, liber-ture, and the fillich is represented by cars, comics, munic, chema, liber-turs, maintick is represented by cars, comics, munic, chema, liber-turs, maintick is represented by cars, comics, munic, chema, liber-turs, maintick is represented by cars, comics, munic, chema, liber-turs, and so fillich is represented by cars, comics, munic, chema, liber-turs, and so fill a structure of Marines and Picaseo open the schiltion with works in black and white moo-chromes by Ywe Klein mod Moniture rist of User T. Two eschiltions cel-brate, side by side, the guiden age of photography. Wo eschiltions cel-brates densary representations and Pierre Bonnard. The other pare hom-age to Guitave be Gray (1200-1800, whose visionaty representations and posical portuits combined with his carboneship to keep yhotography Italy

Venice, Palanzo Grassi. The Phoeni-cians. The fourth major exhibition at Fisi's imposing art centre on the Grand Canal sitempt to give a com-plete picture of this extraordinary people, who dominated trade in the

New York

Vienna

the molecules in the isld and 17th Centuries and shows Sweden as a respiratent and aggressive world power through objects and 100 paint ings on loan from the Royal Treasur the National Museum and the royal collections. Ends Sept 5. Tokyo

ern medicine and treating Japanese patients, he accepted the art works and other items that became the basis of this important collection. Closed Mondays, Ends July 31,

and y

Waterington National Gallery. More than 60 mas-terworks, from a superb 16th-18th Century collection of Munich's Alte Pinakoties, include paintings by Rubans, Bembrandt, Titian, El Greco and Van Dyck. Ends Sept 5. National Gallery (Esst Wing). To nark the S50th anniversary of the first Swedish colony in North Amer-ica, the exhibition covers four Swed-ish monarchies in the 18th and 17th centuries and shows Sweden as a

Tokyo Tokyo Tokyo National Museum. Von Shebold and Japan. Special exhibition of Japa-nese art and artefacts from the Netherlands Museum of Ethnology. collected by the pioneer of Japanese studies in Europe, Philipp Franz von Shebold. Von Shebold was the physi-cian at the tiny Dutch settlemant of Dejima in Nagasald between 1858 and 1852. In return for teaching Weet-ern medicine and treating Japanese

Chicago

## **ANCIAL TIMES**

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THURSDAY JULY 28 1988

# The boom goes on

WITH HER unexpected reshuffle this week. Mrs Thatcher appears to be saying that it will be Mr Lawson's job, and his alone, to get her out of the mess she fears he may have got her into. Whether Mr Lawson recognises that there is a challenge to meet is unclear. What is more obvious is his likely response to the fidgeting next door. If Mrs Thatcher will not allow him the best way to manage the economy - full membership of the European Mooetary Sys-tem - she is in a poor position to complain about the risks

ssociated with alternatives. What is the story so far? Our hero, the UK economy, continnes to show great vitality, despite the off-repeated predic-tion that a slow-down is just around the corner, as yester-day's current account figures remind one. The preliminary estimate of the current account deficit for the first half of 1988 is £5.6bn, £1.4bn more than the Treasury forecast for the year as a whole at the time of the budget, four months ago.

#### **Driving** force

The figures also support evi-dence from the performance of unit labour costs that demand, not competitiveness, is the main cause of the current account deficit. After some months in the doldrums exports and especially exports of manufactures have made a strong recovery, it is just that imports are un still more. imports are up still more.

It has been argued that growing imports of capital goods indicate that investment, not consumption, is the driving force. Neither facts nor inference are correct. Taking the latest quarter over the previous one, one finds that imports of capital goods have not been the most dynamic component. rising 6 per cent in volume when imports of cars rose no less than 14 per cent. Over the previous year, imports of capital goods rose by 20 per cent in volume, not that much faster than imports of manufactures as a whole. Moreover, even if the increase in imports were accounted for by capital goods, one would learn little about the source of demand growth, since there is no necessary connection between the two. That the economy is in the midst of a private-sector-led "dash for growth" has long been obvious. Yet with huge reserves of unemployment, large net foreign assets, a cre-ditworthy public sector, high underlying growth of produc-tivity and low inflation, the UK has been in the best possible position to see such a policy through.

#### First duty

exchange rate.

The Chancellor's first duty, as he well knows, is to avoid an inflationary upsurge. He appears to believe that the best Tomura Securities, Japan's higgest stockbroker, is tak-ing a \$100m gamble way to achieve this objective would be through a clearlyenunciated exchange rate link to the D-Mark. But the second in buying into Wasserstein, Perella, one of Wall Street's newest and brashest compabest policy is not to pretend one has the best. Instead, one has to make the required sig-The agreement announced nal through "actions, not words." Relatively high rates

yesterday is the most adven-turous overseas investment by a Japanese financial instituof interest must be maintained even at some risk to the tion since Sumitomo Bank bought a \$500m stake in Gold-The current account deficit is a help more than a hin-drance, because it creates the man Sachs, the New York investment house, in 1986. condition for relatively high interest rates, while syphoning off much of the excess demand.

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The potential rewards are obvious: a share of the fast-growing business in advising In itself it is not a problem. Japanese companies making acquisitions overseas, which One might be worried about seeing the UK private sector totalled \$4bn last year. become a large net debtor.

But the risks are also large. Nomura is taking a 20 per cent stake in a mergers and acquisi-There is no obvious reason why it should not reduce its net external assets. If all goes well, the unsus-tainably fast growth of demand tions specialist which was founded only in February by two men who quit their previwill come to a natural end as higher rates of interest bite on the demand for credit. If it does ons company after a board-room row. Mr Broce Wasserstein and Mr Joseph Perella not, a major inflationary upsurge can still be avoided by holding\_the\_exchange\_rate made their names as the most aggressive of the takeover experts who have helped to experts who have helped to reshape corporate America in the 1980s. They will have to be treated with respect, as Nomura is well aware. "They (Nomura) have grabhed the tiger by the tail. Can they hang on?" asked one US banker in Tokyo vesterilay steady. The risk is that there would have to be much higher interest rates than any now contemplated. That would, indeed, produce a painful "stop" to the present "go" phase of the Lawson boom. The question is not whether much higher inflation can be avoided. It can. The issue is rather the price. Mrs Thatcher

Tokyo yesterday. With net profits last year of US\$2.13hn, Nomura can, of course, stand to lose \$100m. But there is more than money at stake in this venture. Japacan hope for a happy ending and Mr Lawson can do his best to produce it. Appropriately, given the role their spending nese financial companies' record in handling non-Japa-nese executives - especially entrepreneurial merchant has played in driving the boom, the principal characters in the story now are the citibankers - is patchy. It will now be put to the test. zens of the UK, in whom this Government has always placed

The origins of the venture on the American side are quite recent. After five years of dra-matic growth, Wall Street shuddered to a halt when the

**Market** capitalisation Some international comparisons US\$ ba 53.3 Nomura 22.7 Daiwa 20,3 Nikko 17.0 Yamaichi \* .7.5 Citicoro 73 Nat/Vest 3.0 Salomon Brothers 2.8 Merrill Lynch 2.0 Morgan Stanley S.G. Warburg 1.0 Source: Datastream Except \* Source: Yamaichi The Nomura-Wasserstein, Perella deal

Despite these advantages, the new partners have much to overcome in learning to work together. They must find a way to avoid the cultural tensions which have plagued some other Japanese financial com-panies' dealings with non-Japa-nese companies and execu-

role of armier with the role of owner, director and manager." Yet he suggests that popular capitalism embraces far more than just privatisation. It is a package that takes in deregula-tion, plus the breaking up of monopolies, together with poli-cies for stimulating small busit tives. Language, culture and nationality apart, Nomura is a 60-year-old company with 10,000 staff. Its strength is in moving hage amounts of stock through the Tokyo market, compute the world to form the cies for stimulating small pus-ness and generally increasing personal incentives through iax reforms. This hybrid phi-losophy "is simply the most powerful political idea on offer to this generation." earning its profits from the efforts of salesmen, traders and accounts clerks in 155 offices. for plainly the UK Government has not followed these princi-ples faithfully. For instance, it iaunched British Gas as a A Tokyo banker said: "Nomura is the bureaucratic machine to all hureancratic end launched British Gas as a monopoly in 1995, a move that, predictably has brought regula-tory problems in its wake. Its A efforts to inject competition with into telecommunications have been half-hearted. Its inste-for, a free market solution has stopped short of an open max-het sale of the Rove Group. No matter, for Redwood has some grander theme. Foury. machines."

machines." By contrast, Wasserstein Perella has 40 executives, formed around a tightly-knit core of people. It will be a les-son for them to learn to rely sometimes on Nomura. There is little donbt in Tokyo that international merg-

ers and acquisitions are a potential goldmine. Japan has to invest abroad and corporate acquisitions are expected to absorb a growing amount of those fun

No matter, for Kedwood Ass. a much grander theme, Every-where Marrison and socialism are on the run, with the cen-trally planned economics fac-ing decay, and with the Soviet-Union dramatically seeking structural change, if not yet anything its leaders would like to, call contribution. The Third those funds. The US has so far been the biggest target. But Nomira said European companies, would figure prominently in Japanese sights as companies increasingly feel they have to to call capitalism. The Third World, 'two, 'is suffocating under the burden of debt and acquire a presence inside the European Community in advance of 1992. The fear is

## FINANCIAL TIMES THURSDAY JULY 28 1988

BOOK REVIEW Winning with capitalism POPULAR CAPITALISM t is a curious fact, as John Redwood recognises, that the 1979 Conservative

By John Redwood Routings, £25

the 1979 Conservative the 1979 Conservative Party manifesto gave no hint of the wave of privatisa-tions to come. That first term was largely taken up with poli-cies such as trada union reform, while privatisation was largely limited to council house sales. To begin with, in fact, the sale of public sector shareholdings was not much more than a leftover Denis Healey idea aimed at massag-ing down the public sector bor-rowing requirement through sales of British Petroleum shares and some conmetic accountancy. But then the penny drooped. analysis. In general, for exam-ple, he recommends foreign direct investment as a routs to privatisation. But the political privatisation. But the pointed view predominates. Thus the decision by a brave Canadian Government to sell its shored company De Havilland to Boeing is criticised by Red-wood as a "political infelicity." The book is inelegantly with The book is inelegantly writ-ten, and is patchily researched. For instance, it hrackets together the Herstett and Can-timental Illinois collapses even though they were. 10 years apart. The dats of the British Ges share sale is wrong. But what the book more seriously suffers from is a lack of longer herm perspective. The ideas of encouraging market forces and private ownership are scarcely new, but go back at least to Adam Smith. So why is capital-ism at last in the asomdancy, ism at last in the ascendancy,

ism at last in the ascendancy, and why do concepts that were in the doghouse in the 1930s now seem fresh and exciting? Redwood rightly sneers at the "Morrisonian public corpo-ration" which was Britain's infeliectual export to the Third World in the 1950s. It was a formula which encouraged political interference and patronage, while fostering bureaucracy and inefficiency. bureaucracy and inefficiency. But it was also based upon ideals of fairness and public

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ideals of fairness and public spirit, and was a response to the failures and excesses of pre-war capitalism. Perhaps there is a difference in that "popular capitaliam" is today based upon much higher average levels of consumption and wealth. This is capitaliam for the many rather than the New. But it is still not for the majority. The social attains inherent in the growing inequality of after-tax income and wealth cannot be ignored, and will-quickly intensity if

and wealth cannot be ignored, and will quickly intensity if goods in economic terms. Moreover, much of the appeal of the privatisation pro-gramme in the UK has been based upon a fairly crude appeal to people's greed. Instant profits were built into most of the share issues, nota-bly by performing the allocably by restricting the allocations to the UK institutions. The background was a long bull market which drew more and more investors into equi-ties. But the October 1887

"trest, that the October 1987 crash left many punters severely bruised. "The essence of popular capi-talism lies in rejuvenating the cult of the equity," says Red-wood, "The 1990s will be the decade of the international emity" Let us have be is right equity." Let us hope he is right about this and much else. But although he manages to brush aside the stock market crash in two passing references, the problem of the historical lack of stability of capitalism cannot be so easily ignored. Capi-talism is durable, but its popu-larity can be transient.

# Taking the tiger by the tail By Stefan Wagstyl and Anatole Kaletsky

Normura Securities Pre-tax profits to year end 30/9

200

300

500

400

in 1977 to \$365m last year. But only 170 of First Boston's 5,500 staff were in corporate finance. When Mr Wasserstein and Mr Perella argued after the crash that the firm had to concen-trate more of its resources on M&A they were out-voted. In Fehrnary they quit and founded Wasserstein and Perella. Several key First Boston corporate finance specialists followed them. Within weeks, Wassenstein, Perella was doing deals. Among the \$19bn worth of deals it has been involved in since was the \$6.6bn acquisi-tion of Federated Department Stores hy Campean.

From Nomura's point of view, the roots of the agree-ment are older. They date back to the early 1990s when Japaexpansion abroad changed from the odd lightning strike into an invasion funded by the country's rapidly-accumulating current account surpluses.

Most Japanese financial companies built their foreign operations from scratch. Those who were tempted to do other-wise carefully studied the deal between Sumitomo Bank, one of the most innovative of Japanese banks, and Goldman Sachs. This has proved a less than smooth operation for the Japanese partner since the Federal Reserve placed a raft of severe restrictions on the deal because of the strict separation of commercial and investment banking under US law. Among the limits placed on Sumitomo was a ban on its workers being trained by Gold-man Sachs, a key rationale for

that they can no longer bale out the Centre alone. New sup-porters must be found in

No other centre in the world

does quite the same work. There is the Institute for Inter-hational Economics in Wash-

ington, but it concentrates

more on financial and mone-

tary, rather than trade, policy.

"We are a cross between a lohby and a think tank," said

Corbet yesterday. If the Centre does go, this will coincide with the mid-term review of the GATT round on

which it has had a consider-

GATT agenda first came from

the Centre's premises - next to Dr Johnson's house in

Either St Paul's has it wrong

or some of us are very unobser vant - which would be unbe-

coming in the space. An official at the Cathedral said yesterday

noticed it on Tuesday. Anyway

will start again in mid-August.

that the clock stopped nearly two weeks ago. We only

there are assurances that it

Home Matters, a company

which undertakes household

chores in central London, is

seeking to enter the world of

business perks. It wants firms to offer the service to their

Present services include

cleaning, ironing, shopping,

general errands and looking

are away. The annual personal subscription is £100, or you

after your house while you

can pay £55 for six months.

Services are charged on top:

for example, errands at £7 per

New perks

staff.

hour.

able influence. Some of the

proposals currently on the

Gough Square.

Wrong time

Europe, the US and perhaps

Japan.

can fast food - everything." in government securities it acquired membership of the inner circle – primarily deal-erships in New York in 1986 and in London a few weeks But in corporate relation-ships it remained just as much an outsider as American companies are in Japan. It required something more and feels it has found it in Wasserstein,

Perella. Waxing lyrical about the tie-np, Mr Yochi Fukushima, an executive vice president, said the agreement had grown from mutual needs "like marriage". Nomura's interest looks

more like a one off payment for Wasserstein, Perella's invest-ment banking knowhow than an investment to profit from the firm's future earnings and fees. In effect, it seems to be paying a handsome price for an educational institution which. will provide its Japanese future executives with invaluable experience in US and international mergers. The obstacles which confronted

Sumitomo do not apply because Nomura is already recognised as an investment banking firm in the US. This very aspect of the deal probably made it more attractive to Messrs Perella and Wasserstein. They left First Boston

because they wished to be their own bosses and to avoid the personality conflicts involved in the management of a large firm. Given that Nomura's main interest is probably to learn from them, ly to profit from

future merchant hanking operations is of key impor-tance. The two Americans were said to be somewhat frus-trated by a shortage of their own capital to invest in bridg-ing loans, leveraged buyouts and other transactions. Although they had already raised \$500m from institutional investors for a leveraged buywhen the Government stum-bled on the popular appeal of a giveaway offer which created instant profits for millions. Out of this hit-or-miss policy development John Redwood fashions his concept of "popu-lar capitalism." Governments should set a framework for trade, he says, but should not seek to own businesses. "Gov-ernments have confused the role of arhiter with the role of owner, director and manager." investors for a leveraged buy-out fund, they have a target of at least \$1bn in mind.

petrol retailing

**Competition** in

its trust.

recent years.

refining cycle.

**Formidable barriers** 

THERE HAVE long been suspicions that the hig interna-tional oil companies in the UK are colluding to keep petrol prices higher than they need be. This is reflected in the latest report from the Commons Select Committee on Trade and Industry, which calls for the industry to be referred to the Monopolies Commission. Yet neither concentration nor price leadership are evidence in themselves of restrictions on competition. The committee has failed to present convinc-ing evidence that competitive

forces are not working. The Monopolies Commission examined the industry in 1979 and found effective competi-tion in spite of substantial con-centration and a growth of oil company ownership of retail sites. Since then the trend for sites to be owned by the major companies has slowed down, although there has been a rise in the proportion of petrol sold through these high-volume outlets

The Select Committee did not find that the increasing dependence of wholesalers on UK refineries, as opposed to the spot market, had serious implications for competition. It was more worried about the widespread and long-standing practice of product exchange between the oil companies, on the grounds that companies would not be likely to exchange product if they believed a competitor would use it for cut-price retailing.

#### Type of product

While this may seem to be an excessively friendly arrangement among competitors, it is a reflection of the commodity nature of the product. Less competition at the retail level would swiftly result if oil companies were in effect restricted to selling only in areas close to their refineries.

The committee also ques-tioned the effects on competition should big retailers, such as Shell and Esso, each with 20 per cent of the market, avoid competitive efforts to increase market share and instead seek to increase margins hy charging higher prices.

This behaviour may reflect high concentration in the industry, but it is not evidence of a lack of competition itself. Trying to preserve market share and to seek higher mar- reduce mets to the consumer.

12

gins is an accepted strategy in a range of industries where it is not seen as anti-competitive. At issue is whether British motorists are paying more for petrol than they would other-wise pay in a less concentrated market or whether prices are kept artificially high because of difficulties in entering the

Free trade market. Nelther of these The Office of Fair Trading provided evidence to the comruns out retailing margins for the major retailing wargins for the major retailers were not consistently

The Trade Policy Research Centre is preparing to close at the end of this year, but is also working on a survival plan. A decision will be taken high. The profits reported for oil company downstream operations have been weak and in October on which way to go. The Centre has accumulated have varied erratically in

liabilities of around £500,000 and an annual budget of about £600,000. Hitherto its bank has been indulgent about the defi-The OFT concluded that cit because of the company names associated with the Cen pump price movements corre-late with both spot market tre's activities. They include prices and Brent crude prices, after allowing for movements in exchange rates, duty levels and the lag time through the Unilever and Shell and a string of others. But it was made clear earlier in the year that something must be done. "If Barriers for new entrants are formidable, a factor caused by local anthority planning restrictions as much as any-

sometning must be done. "If we had been a private com-pany, we would have gone into liquidation long ago," said Hugh Corbet, the Director. Corbet, a former journalist, set up the Centre 20 years ago thing else. But newcomers have made an impact on the market, offering lower priced petrol that has imposed disci-pline on the leaders. For examalong with the late Professor Harry G Johnson. The prob-lem, he says, is that it has never had any endowments ple, Conoco has aggressively built up a chain of cut price Jet and that British companies only want to put up money stations. Sales of cut price pet-rol at hypermarket sites has increased strongly in recent for projects, not for running costs. The Centre was advised 10 years ago to spend £50,000 years. The OFT has concluded a year on employing a developthat competition is strong ment officer who would evenenough to prevent the market leaders from maintaining tually pay for himself by rais-ing funds, but it never had the excessively high prices. The committee has said that money to pay one. There has never even been the odd £2,000

the OFT has not monitored the to huy a fax. industry adequately, question-ing both the statistical basis of Help may be at hand through a development report prepared by a planning officer OFT work (based on published statistics) and the standard for of BAT Industries whom the measuring competition, that is, whether or not profits are company provided on second-mant. Patrick Sheehy, the BAT excessive. But the case against the OFT is far from convincchairman, is a member of the Centre's Council.

ing. No doubt there are distor-The chairman of the Council tions in the market, including lack of price-consciousness is Sir Kenneth Durham, formerly head of Unilever, now of Woolworth. Among others who are being helpful are Sir among company car owners whose petrol is paid for by employers. But it is far from obvious that the Monopolies Commission could bring about Ian MacGregor, the old boss at British Steel, and Sir Ronald Halstead, though both largely changes in structure or behavin a private capacity. Yet those British companies which come iour which would significantly to the rescue in the past say

The fail in stock prices, com-pounded by a decline in vol-ume forced companies to cut their costs to match the drop the venture for Sumitoma. in revenues. At First Boston, Mr Wasser-

stein and Mr Perella had co-starred in Wall Street's most successful mergers and acquisitions department which had seen revenues soar from \$4m

their transactions, they should Nomura, meanwhile, poured resources abroad, aiming to be resources abroad, aiming to be a fully-fiedged securities com-pany in New York and London and elsewhere. "We don't want to be a Japanese restaurant in New York serving only sushi and sukiyaki," said a Nomura man last year. "We want to serve French cuisine, Amerioperations of his firm.

now have the advantages of operating with access to a virtually limitless pool of capital, without the constraints of working for a big firm. Mr Wasserstein stressed yesterday that Nomura will have no involvement in the daily The access to capital for

that the creation of a free internal market from that date will be matched by a raising of external barriers.

For Japanese companies the emphasis will continue to be on striking friendly agreements. Which is exactly what Nomura and Wasserstein, Per-ella have in mind for themselves.

corruption, and is open to change - as the author knows-from personal experience, After his period as head of the No 10 Policy -Unit, Redwood had a spell with N.M. Roths-child's overseas privatisation unit, where he advised governments in countries such as Jamaica and New Zealand. Now Redwood is a Conservative MP, and it shows: This is much more of a political work than an exercise in economic

accountancy. But then the penny dropped. In 1983, starting a second term, the Conservative admin-istration decided to launch a Sona-year privatisation pro-gramme. The first major step was the flotation of British Takecom in the autumn of 1964, when the Government stum-bled on the nonniar appeal of a

There are some puzzles here,

**Barry Riley** 



"Once the leadership's set-tied they can start openly fighting each other."

Companies will be offered. the subscriptions at a discount. It will be up to them to decide whether they pay for the ser-vices as well or leave that to their employees.

"It's a sort of mollycoddling perk," said Candy Bowman. who runs the service. "It's psy-chological, to show that the company cares about the quality of life at home. Someone is always needing somebody to collect their granny from the station, or whatever."

This being central London in 1968, the main problem must be finding the staff in the service sector. "You have to be in the network," said Bowman "People come to us wanting part-timework - a lot of peo-ple from a theatrical back-

ground." Other companies specialise: for instance, in babysitting. So far as one can tell Home Matters, which has been going for 21 months, is the only one to offer a near universal ser-VICE\_

5



UK part of the investment group found its way into UK government securities, com-pared to just 22m of the £138m invested in the Gibraitar end of the operation. Gilts have been under pres-

sure since June. Barlow Clowes liquidators, conveniently appointed at the end of May, cashed in whatever glits they found. The money has been nestling snugly in a money market deposit account ever since

## Overwriting

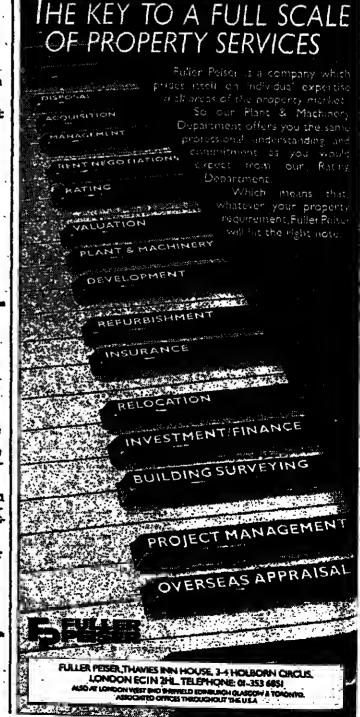
The Times one had a correspondent in Balkans called Bourchier. He was very distinguished, but his stories tended to arrive too late and too long. One day he overdid it from Crets.

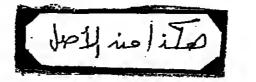
The foreign manager cabled back: "An average copy of The Times contains about 160,000 words, and if you send us 1,400 words on Crete you are propo-ing to take up 1/115th of our space for that insignificant island, whose entire population is only 1/136th of even the British Isles and 1/540th of the British Empire. These mathemati-cal calculations will, I know, be insuperably difficult to your Cambridge mind, but the net result may be intelligible." The story is retold in Louis

Heren's Memories of Times Past published by Hamish Hamilton today.

## Very chic

Seen on a Suzuki Jeep in London's Berkeley Square: "Please don't lean on me. I might roll over on you."





# House prices and interest rates By Samuel Brittan

hy does the control of inflation in the UK seem to require a much higher level of interest rates er European countries, above ail West Germany?

Many people would suspect that tese differences have something to these dif do with the housing market in the two countries. Tim Congdon of Shear-son Lehmann, who has examined some relevant data in a Note for the House of Commons Treasury Committee, has shown that the typical UK mortgage holder has experienced a capital gain on his house exceeding the mortgage rate in 10 out of the last 20 years, even before allowing for tax-relief on mortgage interest. In Ger-many this has happened in only four of the last 20 years; and in the 1980s German house prices have been rising ; at a rate 5 percentage points behind the cost of borrowing.

There is clearly something to explain. For mortgage interest relief is available in most countries, includ-ing Germany, where it gives rise to very little public debate. I am afraid that Congdon's own explanation, which is that the UK's higher infla-tion rate has made the tax concession more valuable, is not too convincing either. In the accompanying chart the real increase in house prices - that is the increase in house prices minus the general consumer price index -has been plotted both for the UK and for Germany. It will be seen that British house prices have both been far more volatile and risen much faster, even after allowing for inflation. In the last ten years the cumulative com pound real increase in average British house prices has been over 40 per

In a world without capital controls, interest rates are inextricably linked, whether Britain is

in or out of the EMS

cent, while in Germany it has been searcely 11 per-cept.

The differences are surely structural and demographic in origin - a high rate of household formation in Britain compared to a prospective population-decline in Germany, a country which also has a functioning rental sector. British housing demand has interacted with mortgage interest relief, tight planning controls and financial liberalisation. The whole process has degenerated into a speculative bubble in which unwise people: rush to buy houses before their prices rise even further. 

Congdon's main purpose, however, is to use the high level of credit have to be on average below rather

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demand, mainly originating in the mortgage market, as an argument against British membership of the KMS. His point is that a credible fixed exchange rate against Germany requires interest rates to be the same in the two countries, while the differ-ence in credit demand requires much higher interest rates in the UK.

Congdon and others like him are describing an ideal EMS, verying on full monetary union, not the EMS as it actually is. French short-term inter-It actually is. French short-term inter-est rates are 2% percentage points above German ones and the differen-tial bas often been higher --reflecting not so much fading exchange controls, but very much more the realignment risk. If the UK were to join the EMS tomorrow, Brit-ish interest rates would still be above German rates and the gap would not German rates and the gap would not close until the D-Mark link acquired 100 per cent credibility.

The more important fact is that, in a world without capital controls, international interest rates are inex-tricably linked, whether Britain is inside or outside the EMS. The only way that Britain can have nominal interest rates 5 per cent higher than Germany is if sterling is expected to fall by 5 per cent per annum against the D-Mark. This follows from the "interest rate parity theorem", rightly cited by Congdon himself.

A 5 per cent prospective fall in ster ling over the next 12 months might be necessary and desirable if the pound rises to untenable levels. But as a continuing process it would be associ-ated with just that long-term upward jerk in the inflation rate which the sular monetarists profess to fear. The true inferences from German and British experience are rather different. Manufacturing costs in the two countries have been rising at very similar rates. But prices of domestically produced services, in

which housing plays a part, have been rising faster in the UK. Faced with this discrepancy we can as I argued last week, settle for roughly stable prices in internation-ally traded goods and a stable rate against the D-Mark. This would imply a trend increase in consumer prices of perhaps a little over 3 per cent per annum — less than experienced by Japan during its period of productivity miracle.

Alternatively we can try to achieve liferally zero inflation. This might imply a trend fall in manufacturing prices of about 3 per cent per annum and a trend rise in sterling against the D-Mark of about the same rate. This is an inference which a member of a different sect of monetarists, Pro fessor Patrick Minford, wrongly childes me for not seeing. In that case British nominal interest rates would

## **Real house price changes** Change in house prices minus change in consumer prices 30 % UK 20 9 W.Germany 10 % + 20 72 74 76 76 70 80 82 84 Sources: Building Societies Association, Bundesbank Eurostat

than above German rates. As for real interest rates: there are powerful forces tending to bring them together internationally (provided that the deflator is an index of internationally traded products rather than the conventional RFD. The only way to hold real interest rates in dif-ferent countries anart is by the very exchange and capital controls which the monetarists profess to abhor.

Thus we cannot for long sustain higher real interest rates in the UK than in other major centres; and differences in nominal rates are tightly constrained by inflation objectives. What then are we to do if the demand for mortgage credit is much higher in the UK than other parts of the Euro-pean Community? While pondering this question I came across the Richard Ely Lecture given by Professor Alaz Blinder and reprinted in the May 1988 American Economic Review. Blinder is discussing why states such as New Jersey and Massachusetts. have had a major boom, with unem-ployment falling from basket case to showcase levels in eight years. The explanation is of particular interest as the next president is likely to be the present Governor of Massachusetts. One reason is to do with openness. "Each state of the union is a small open economy with fixed exchange

rates and no trade barriers vis-a-vis the others. It can, therefore, acquire the goods its citizens demand at more or less fixed prices in the huge national market. That is why textiles, shoes, refrigerators, and automobiles cost no more in New Jersey and Mascost no more in New Jersey and Mas-sachusetts than in the other 48 states. Non-traded goods are a different mat-ter. Housing prices in the Boston and Princeton areas (indeed, in all the suburbs of New York), for example, are legendary. Were these states closed to trade with the rest of the country their inflation rates mould country, their inflation rates would undoubtedly be much higher."

Suppose, however, there were a sachusetts dollar. There would be papers by Boston financial analysts saying that soaring house prices in their city made it impossible to link their currency to the US dollar. In the US as it actually is, the Fed aims at low inflation for the whole union. If residential property prices rise particularly fast in a state or region, the local authorities can either attempt direct measures via the tax and planning system or accept that market forces are driving home prices upwards both relative to other goods and services, and relative to home prices in the rest of the US. Setting up an independent Boston Fed with its own currency would not prevent

these relativity changes, which reflect real rather than monetary forces. But it would superimpose upon them periods of overvaluation when the local economic miracle would be threat ened by lost competitiveness and periods of undervaluation when it would be threatened by imported inflation not a course ever contemplated by Governor Dukakis.

Similar issues are raised by an analysis of European monetary union by Gavyn Davies in the Goldman Sachs International Economics Analyst. He fears, however, that it would be

difficult to sell to, say, French or Brit-ish electorates a Buropean central bank huilt around the core of the Bundesbank. But does he not see that the whole point of the project is to wrap up in politically acceptable terms a European currency which is essentially an extension of the D-Mark? So long as the Bundesbank stands its ground, we have little need to worry.

Davies's other objection is that the loss of the right to devalue would be a genuine loss because of wage rigidities. He suggests that unemployment in North East England could have been ameliorated by a devalued New castle pound. Perhaps an unexpected Newcastle devaluation might have had a one-shot effect in reducing real and nominal wages relative to the rest of the UK. But a devaluation creates no real resources, and introduces information and volatility costs. It is of no benefit in the longer run in which most of us are still alive.

When it comes to the achievements of the EMS, Davies falls back on by now familiar debating points. First, inflation fell faster in the UK. That is because the inflation rate was so high - 16.6 per cent - in the 1973-80 base period chosen. It had, therefore, much further to fall. A similar fall in the German inflation rate would have taken it to almost minus 6 per cent.

Davies also claims that there were lower unemployment costs in the UK. in getting inflation down. His own figures show that both actual unemployment and its increase (compared with the 1970s) were higher in the UK than in the EMS. It is just that the rise seemed more effective in reducing inflation, because the latter had that much further to fall.

Period averages conceal a great deal. The fall in British inflation rates was greater than the fall in the French rate. The actual French inflation rate is now 2.5 per cent. The UK rate is now 4.6 per cent and not get-ting lower. Yet the Thatcherites are allowed a monopoly of counter-infla-tionary virtue in their campaign against the EMS. Have a good holiLombard

## The dumping inquisition

#### By Martin Wolf

"WE SEE the injury (to European Community industry) but can't find the dumping margins and we ask why." So said a Community official in response to the tenfold increase in imports of micro-wave ovens from the Republic of Korea between 1985 and 1987. An undervalued exchange rate, officials complain, makes it hard to prove dumping. So, if dumping cannot be found, that proves not its absence but the subtlety of the cheating. With its behief that the appearance of innocence proves guilt, the EC has embraced the logic of

the Inquisition. In anti-dumping the European Commission has found the perfect instrument for the imposition of discriminatory protection. What makes it par-ticularly satisfactory is that anti-dumping is presented as a remedy for - rather than an addition to - market distortions. With anti-dumping, it is argued, trade becomes not less free, but more fair. What is the economic ratio-

nale for anti-dumping? It is that the consumer will be exploited through higher prices, once competition has been driven out. Such predatory dumping bas, however, rarely been discovered.

In any case, the practice of anti-dumping belies the argu-ment. If one were looking for predation, one would want to know whether the dumping in question could, in practice, produce a global monopoly. Wherever there are many firms, that is most improbable. Even if only Japanese firms were to survive, competition would be unlikely to disappear. Consider the example of the camera industry, now domi-nated by Japanese producers. Does it really operate as a

predatory monopoly? The concern about predation is camouflage. If policy makers wanted to save us from the high prices consequent on datory pricing, they would find ways of prosecuting exporters for charging *higher* prices than in their domestic markets. Unsurprisingly, there is no such action.

After all, the EC and its member countries are, through the imposition of voluntary export restraints in key indus-tries like cars and textiles and clothing, enthusiastic sponsors

of predatory cartel arrange-ments. The EC did, it is true, object to the semi-conductor pact between the US and Japan, but the objection appears to have been rather to the lack of consultation than to the higher prices. Certainly, the main concern in EC antidumping policy is the effects of low prices on producers now, not of possibly higher prices on

11

consumers in future. The issue that remains is "fairness." But how many busi-nessmen are there who have never charged a different price for the same product in two different markets? Indeed, how many EC firms now export to the Far East or the US at the prices they charge at home.

The computation of dumping is also problematic. For example, according to EC practice products sold at the same range of prices as in the home market and bearing the same costs can be held to he dumped. Again, certain costs allowed in the domestic price are not allowed in the export price, increasing the likelihood

that dumping will be found. With the recent extension of anti-dumping to "screwdriver plants," the EC may have gone too far even in terms of the permissive Gatt code. At least, the Japanese Government seems determined to take this procedure to the Gatt. But the whole approach needs to be questioned, since the legality of a protectionist procedure does not make it desirable. After all, hetween 1980 and 1985 the average ad valorem equivalent of definitive antidumping measures was as high

as 23 per cent. Anti-dumping is simply a better protectionist mousetrap. It combines an apparently unimpeachable rationale for protection with highly opaque procedures. Recent cases against Japan and now Korea are examples of protection against successful competitors that have the "unfair" ability to produce products that Euro-pean consumers want at prices with which European producers cannot compete. Thus anti-dumping, the rationale of which is the prevention of exploitation of the consumer, actively promotes it. It is time to call a protectionist spade a spade and halt the anti-dumping inquisition.

LETTERS

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1994 - 19<sup>12</sup>-

## Hong Kong 'freedoms' should be codified

From Mr T.W. Brown. Sir, While those concerned at the future of Hong Kong will welcome the recent news of Sir Geoffrey -Howe's criticism, made in the House of Commade in the House of Com-mons, of the first draft of the Hong Rong Besic Law (July 16), they will draw little com-fort from they affermations, of Counting a Chinese "good faith" in the second in the debate: The uncomforting reality so far is that even the presence of 23 distinguished figures from Hong Kong - they incided

Hong Kong - they included. Sir Y.K. Pao, Mr Li Ka-Shing, Mr David Li and the tireless Mr Martin Lee - on the Basic Law drafting committee was not sufficient to prevent the issua of e document highly unsatisfactory in its hedging of the personal and political free-doms which it defines worfully inadequately. The present colo-nial administration can exercise, theoretically, draconian powers over the people of Hong for their posts), it is disheart-

Kong, but restraint in the exer-cise of these powers means that in practice Hong Kongers hava enjoyed a far wider degree of civil liberty than peo-ple in Communist China.

It is because there is so little feith in Communist China's restraint in the use of authority that it is absolutely vital that the freedoms currently enjoyed in practice are formally written into a watertight constitution, which constitution could only be smended

with the consent of a directly elected legislature. While the British Government is entirely to blame for the present lack of representa-

na's present 1bn population. The recent procession of tive government and democracy in Hong Kong (which makes it quite likely that in 1997 Hong Kong will be ruled Peking's leaders touring Hong Kong has provided ample evi-dence that China's leaders are by Peking appointees who, under the present draft of the Basic Law, could only hold mesmerised by the territory's success, modernity and wealth; but the Basic Law leaves the

ening to see that the 1984 Joint Declaration promise of the right of final adjudication in the Hong Kong courts has also this is believed to be attribut. able to monetary and fiscal theory, with the unnecessary incorporation of balanced bud-gets and low taxation into the Basic Law, rather than to the faded with the proposed mech-anism to "consult" Peking. In any case, precisely how the Hong Kong courts could be broader framework of individ-ual rights and freedoms. supposed to maintain the English common law system,

Industry has some

lessons for the NHS

However, having neglected codification of many rights and freedoms in Hong Kong for so long, the British Government but interpret a Basic Law which only officially exists in Chinese, is in itself a problem. is in a weak position to urge this on the Communist Chi-Of course Sir Geoffrey is right to say that it is in Peking's interest to get the ness now. No wonder they feel able to discourse - in a strongly nationalist, anti-colo-nial tone - on Hong Kong Basic Law right, as it should not be forgotten that Hong Kong's 5.5m people generate more foreign trade than Chlbeing "occupied" by Britain, and its return "fulfilling the long-cherished common aspiration of the entire Chinese peo-pls for the recovery of Hong Kong". Such sentiments do not reassure the millions of Hong Kongers whose families, within living memory, fled China. Thomas Brown, Flat 2,

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47 Kempsford Gardens, SW5 unfortunate impression that

## Naval building is piecemeal

From Mr Michael Chickester. Sir, The implications of the government decision to order three Type 23 frigates for Yar-row Shipbuilders (FT report, July 12) foresees a further rationalisation of the British warship building industry. warship building industry.

The recent all-party House of Commons Defence Committee report on the fature size and role of the Royal Navy's sur-face fleet convincingly explained the need for an increased lavel of destroyer and figate orders for the next few years if the Government's offen stated notice of maintainoften-stated policy of maintain-ing a force of "about 50" of these is to be implemented.

If the Government's intentions in this matter are sincere it should publish a long term naval building programme, allocate funds each year for fits continuation - irrespective of the size of the annual defence budget - and give ample notice of the dates by which competitive tenders for the sext batch of orders should be nitted.

The present system of piece-sel orders contrasts sharply with the readiness of the Gos-ernment to pladge far larger sums for participation in costly. new aircraft programmes such as the Tornatio.

The case of Swan Hunter dis-plays tha departmentalised short-sightedness which so often mars official support for industrial policy. Here is a company created by the appli-cation of all those economic principles which the present Government bolds dear: priva-tisation by management buy-ont: improved productivity tisation by management buy-ont; improved productivity through better labour rela-tions; the anding of shipyard demarcation practices and the adoption of fixed annual holi-days; its reward is lack of orders; an uncertain future, and the prospect of 700 redun-danche unless more work is furthcoming by the end of the wear.

year. Ministers claim savings of between flim-f20m by order-ing from one yard. But the costs to the Exchequer - and to the regional economy - of creating redundancies in the north east of England will be almost as heavy, long term. 'A fourth frigate order would have avoided this damage. Is the Whitehall machinery inca-pable of the inter-departmental proceeding necessary to let market forces rule. National jet market lorces full. Nanonai pay body awards should be increased where necessary by local allowances dscided locally, and complete freedom given to regions, if not to dis-tricts, to pay other "bottle neck" staff such as cooks, tech-nicians, medical secretaries and waronde elerice what it pable of the inter-departmental co-operation necessary to achieve such a common-sense solution? Michael Chichester, The Mend House, . . Taynton. Burford, Cafordshire

From Mr John Woodthorpe. Sir, There is not really much wrong with health care ecotion, districts should be free to buy excess capacity from the private sector wherever it is nomics in Britain that a little available and cheaper than more money cannot solve. The question is where to spend it --and should the National Health their own long range marginal costs.

New capacity should be added where waiting lists are longest, productivity is highest (which would also counter the Service (NHS) or the private sector do so? If this Government really If this Government really believes in market forces, it should be able to answer both questions. Approaches long practised by industry, used to coping with market pressures, will help. Hospitals have high fixed costs; essentially staff but also building and equipment costs. Consequently unused capacity is cheap, in both the NHS and private medicina. Filling all existing capacity is therefore the first step. If staff shortages, not beds, are the constraint, the NHS should pay locally what it takes to attract staff - that is, let market forces rule. National rare, devious consultant who increases the waiting list to attract more funds), and long range marginal costs are lowest, if the private sector can fill est, if the private sector can hill the market vacuum more cheaply, so be it; let the NHS enter into planning agreements to buy capacity from them. The Treasury should be quite happy that national rather than NHS or private sector interests have been best earned served.

Having tackled these imme-Having tackled these imme-diate questions, the NHS will be free to concentrate on the real issue: quality control. Industry has lessons to pass on here too, but it may take mar-ket forces again - such as competition for patients' choice - before all members of the medical production take the medical profession take them seriously.

and records clerks what It John Woodthorpe, takes to retain them. In addi- 54 Eaton Place, SW1

## **Beatrix Mines Limited**



Share capital: Authorised - 150,000,000 ordinary shares of no par value

Issued - 85,000,000 ordinary shares of no par value

Interim report for the six months ended 30 June 1988

· · ·	Quarter ended	Quarter ended	6 months ended	6 months ended
	30.06.88 R'000	31.03.88 R*000	30.06.88 R'000	30.05.87 R*000
NCOME STATEMENT				
Royalty	5,912 15,056 15,656	1,262 14,731	7,174 29,787 15,656	12,724 25,835 14,484
	36,624	15,993	52,617	53,043
nterest paid and sundry expanditure - net	2,243	2,444	4.687	8.642
ncome before taxation	34,381 9,160	13,549 6,876	47,930 16.038	44,401 14,812
	25.221		31,894	29.589
come after texation	11.597	6,673 4,924	4,924	4.001
istrizutable income	36.818	11,597	36.816	33.590
Nidend paid	31,450	11,397	31,450	25,500
letained income at end of period	5,368	11,597	5,368	6.090
BALANCE SHEET Capital employed Share capital	131,466	131,466	131,466	131,468
Retained income	5,368	11,597	5,368	8,090
Long-term liabilities	24,572	46,312	24,572	59,687
	161,406	189,375	161,408	199,243
imployment of capital Fixed assets	77,843	77,843	77,843	77,843
Company Limited	67,709	67,810	67,709	149,700
	145,552	145,653	145,552	227,543
let current assets/(liabilities)	15,854	43,722	15,854	(23,300)
Current assets	83.825	82,790	83.825	33,717
Current liebilities	67.971	39,058	87,971	62,017
	161,406	189,375	161,406	199,243
ong-term liabilities				
elence at end of period	58,915 34,343	78,148 31.836	56,915 34,343	93,399 33,712
the period during the period	2,069	1,980	4,049	7,960
he loans that are in U.S. dollars, namely \$10 million	(R22.058 millio	n), are fully con	vered.	
The loan to Buffelsfontein Gold Mining Company Limit Buffelsfontein once the final tax assessment has bu		d by the further	issue of prefer	ence shares
ENARKS.				

REMARKS

The figures are unaudited.

(III)

The regulates are unaucuted. The report has been approved and signed on behalf of the company by two directors. On 2 June 1988 dividend No. 6 of 37 cents per share was declared payable to shareholders registered on 17 June 1988. Dividend warrants will be posted on 5 August 1988. The decrease in long-term likebilities is due to a rescheduling of payments. Interest received includes an adjustment on the Buffelsiontein loan.

**Registered** office: General Mining Building 6 Hollard Stre .iohannesburg 28 July 1988 Johannesburg 2001 The Interim Report will be sent to shareholders on or about 5 August 1988 after which date copies will be available at the London Office, 30 Ely Place, London EC1N 6UA.



# FINANCIAL TIMES



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## Thursday July 28 1988

# Fighting for world peace on a shoestring

Our UN Correspondent highlights the United Nations' battle against bankruptcy

NITED Nations mili-tary officers and their bolitical advisers hoped to reach Tehran last Sunday to start working out the details of a UN-supervised ceasefire between Iran and Iraq. They actually got there on Tuesday. "We don't have the kind of facilities to enable a mission to move much fas-ter," UN spokesman Mr Fran-cois Giuliani explained in New

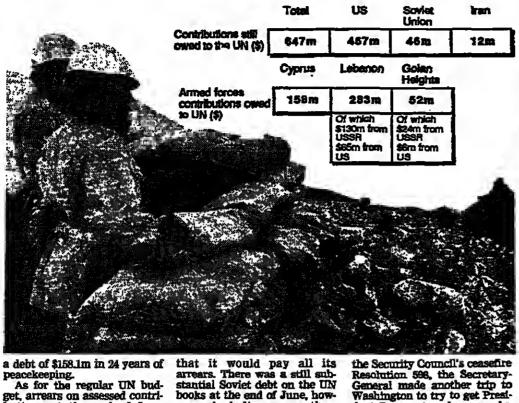
The UN team, headed hy Norwegian Lt-Gen Martin Vad-set, had to take a circuitous route by commercial airlines because the world body, unlike the poorest member-govern-ment, does not have its own aircraft. Neither does it have much money.

much money. Based on past experience, the financial prospects for UN peacekeeping in the Gulf are far from encouraging. Not one of the existing operations in the Middle East and Cyprus is debt-free. It is an irony that just as the UN appears more effective on the international crisis stage

than at any time in its history, it not only lacks the funds to underpin its peace-keeping suc-cesses but also does not know how it will be able to pay next year's bills and salaries

Moves towards a brokered peace in the Gulf, Afghanistan and Indochina hinge on UN peacekeeping forces. Each of these breakthronghs constitutes some form of success for US regional foreign policy; yet it is the US which is the most reluctant to meet its financial commitments to the UN.

Assessed contributions owed for the UN Interim Force in Lebanon were \$282.94m at the latest account. Arrears for the UN Emergency Force in the Middle East and the UN Disen-gagement Force in the Golan Heights amounted to \$52.28m, while the voluntarily-funded UN Force in Cyprus has run up



peacekeeping

As for the regular UN budget, arrears on assessed contri-butions at the end of June stood at \$647m, almost \$447m of which is owed by the US, which has also failed to pay another \$70.41m for past peace-

It costs about \$50m a month to maintain the UN in New York and Mr Javier Perez de keeping operations. Levels of contribution for Cuellar, the Secretary-General, has already raised the spectre members of the 159-nation. of suspending operations if, as he fears it will, the UN runs organisation are assessed at rates ranging from 0.01 per

cent for the poorest countries, out of money, possibly as early to 25 per cent for the richest-the US. as October. Mr de Cuellar has cried wolf No one believes he will close down the UN, even for a day, but as the crisis deepens there could be payless paydays and involuntary furloughs for the The Americans have refused to pay their full assessments in recent years in an attempt to press the UN to change its hudgetary procedures, reduce its staff and raise efficiency. The Soviet Union used to be

8,000 staff. the biggest UN debtor until Moscow announced last year Just three days before Iran announced it was accepting

Resolution 598, the Secretary-General made another trip to Washington to try to get Presi-dent Reagan to release sorely-needed funds. The journey was ever, including more than \$129m owed for peacekeeping in the Lebanon. fruitles

. The President said the changes instituted by the UN were still insufficient to justify his recommending Congress to free even the \$44m already authorised for payment to the world body this year but so far withheld.

The Vadset mission to Teh-ran and Baghdad, due to report to the Secretary-General early next week, will enable him to determine the extent of the UN operation he must set up to supervise a Gulf ceasefire. He has already estimated that the UN will need about 250 military observers, which soma diplomats feel is a modest

Cashing in the number to police a 700-mile land border and maintain peace in the air and at sea. Officials estimate that the golden shares cost of the operation would be between \$10m and \$20m a year. After an appeal by Mr de Cael-lar, the Japanese Government promised a special donation last April of \$20m -\$10m for the UN operation in Afghanistan and the other half for his Gulf peace efforts. complex of opposing forces: UK trade numbers bad, US GNP

Still, there is "extreme concern that the financial capaci-ties of the organisation will be strained to the limit," a UN spokesman said this week. There is talk of reconvening good, German interest rate pol-icy confusing. But in the UK at least, the absence of economic data over the next couple of weeks may allow the market to

contemplate 10.5 per cent base rates with more equanimity. the General Assembly next month to consider how to relieve the financial crisis, Amersham

ment in so many peacemaking efforts at the same time, including its success in Afghanistan and the prospect of breakthroughs not only in the Gulf but also in Namibia and Kampuchea, there is still a limited constituency of American supporters.

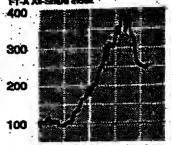
Officials hope that this may change. Lt-Gen Vernon Wal-ters, the US representative, not elsewhere. es what he termed "a better and more effective UN" with a much improved public image.

The US delegate, who is an admirer of the Secretary-General, called him this week "one of the great sta-tesmen of our time." There was no public reaction from Mr de Cuellar to this praise, but an official remarked: "We'd rather see some cash."

Computer networks group established

By Hugo Dixon in London EIGHT of the world's largest information technology companies have set up a group to hasten the advent of a single open market worldwide for netThe markets' reaction to yesterday's economic data seemed stolid, but was in fact a Mountleigh are price relative to the

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to provisioning for the group's \$4.5bn of loans to troubled countries, underlines the steady if slow recovery in its fortunes. Admittedly, with goiden share when it comes to the market. But there is evi-dently a distinction between companies which deserve tem-porary shelter, and those whose ownership is a matter of national security. Thus, Jaguar £1.5bn of new equity under its belt and a buoyant domestic market, anything less than a 25 per cent growth in underlying profits would have been disapnational security. Thus, Jaguar and Enterprise are to be left to their own devices when their golden shares expire; but Rolls Royce, as a defence contractor, will next year be open to take-over from within the UK, but pointing; and a £61m jump in investment banking profits plus a £14m drop in domestic

plus a flam drop in domestic provisions has cushioned a rea-sonably lacklustre perfor-mance by the group's core UK banking business. However, Midland is not alone in finding that its UK retail banking marging and As for Amersham's shares; the 6 per cent jump on the news looks positively modest. A hostile bidder would have to assemble 10 per cent of the wotes to call an egm, and then retail banking margins are coming under pressure, and although its operating costs remain unusually high, its cost ratios are beginning to move in the right direction. With the Crocker problems fading into history, and a much healthier capital base, the new manage-ment heam can no longer be secure a 75 per cent majority to allow holdings above 15 per cent. But this is not impos ble, particularly since the institations would not thereby be assenting to a bid, but only to the principle of a bid being perment team can no longer be forgiven for failing to attack the group's long festering prob-lems, such as the miserable performance of Thomas Cook. the principle of a hid being per-missible. There is no question that Amersham would be a tooth-soms morsel, not only for ICI or Fisons in the UK, but for an overseas competitor like Abbott. Indeed, there is the plain suggestion that the com-pany lacks the depth of finance andmanagement fully to exploit its flair for innovation. At 470p - £235m in total - the multiple is under 15, which counts as dirt cheap in the world of pharmaceuticals. The golden share having served its. However, the shares are trad-ing on a premium moltiple of 6 import a prospective carnings, implying that the recovery prospects have been fully dis-counted for the moment.

## Nomura -

There can be few start-up esses in the financial services industry to match the heady performance of Wasser-stein, Perella & Co. In less than six months, the former master-minds of First Boston's M & A department have advised on over \$19bn of acquisitions, raised \$500m from investors anxious to gamble on their so-called merchant banking skills, and have now persuaded one of the world's wealthiest

financial institutions to buy a one fifth stake in a company without a financial track record. In crude terms, Nomura's investment puts a price tag on the brains of Messrs Wasserstein and Perella

Messrs Wasserstein and Perelia of \$250m apieca. Even by Wall Street stan-dards this kind of valuation seem pretty inflated, given that First Boston itself is only val-ued at \$1.2bn. However, Nomura can easily afford to treat the investment as mere pin-money, and there is always an outside chance that it will develop into a long and happy an outside chance that it will develop into a long and happy relationship, without embar-rassing conflicts of interest. That said, Wasserstein, Perella is the real winner. It has satis-fied its urgent need for new capital and acquired access to an alternative client list, with the wealt that if it does altern the result that if it does alignate corporate America, it has other sources of business to fall back on.

## Mountleigh

Forecasting any trader's profits is always more luck than science: deal-making is a delicate business, not to be governed by a date on the financial calendar. Nonetheless, Mountleigh would have done well to tell the City that it had deferred some deals from last year to this, and why. Confidence in the group is fragile at best, and yesterday's flom to fl5m profits shortfall was enough to weaken the already depressed shares by a further 7 per cent.

- If Mountleigh were more of a developer and less of a trader. yesterday's 26 per cent dis-count to net asset value would definitely make the shares look chesn But se long as develop cheap. But as long as develop-ment remains more an intention than a reality, earnings growth will count for more than increasing the asset base; news of 6.6 per cent growth in earnings per share last year did little to restore that lost senszxof excitement, and writing down the afflicted Store-house stake by £12.3m was' another unwelcome reminder. The medium term future, though should be a different story, as Mr Tony Clegg learns to add value to properties by

## UN chief to raise hostages issue

#### By Andrew Gowers, Middle East Editor, in London

MR Javier Perez de Cuellar, the UN Secretary-General, said yesterday he would raise the question of Western hostages held by pro-Iranian groups in Lebanon in his talks on a Gulf ceasefire this week with the Iranian Foreign Minister.

He said the hostages, hopes for whose release have been

problem out of the way, both for political and humanitarian reasons." His remarks, implying that Iran now regarded the hos-

tages as an obstacle to better relations with the West, fol-lowed an offer from Iran on Tuesday to use its influence to secure their release in

of a deal with Iran. After talks yesterday with Mr Tarig Aziz, Iraqi Foreign Minister, Mr Perez de Cuellar said he believed Iran and Iraq were seriously interested in

ending the war. But Mr Aziz, speaking after the meeting, rehearsed Iraq's continuing differences with Iran and said Baghdad would

was going on, we saw no need to bring the Soviet Union into the Gulf.

What kind of role they might be prepared to play in peacekeeping is something that

would have to be developed by the UN secretary general."

to Soviet influence - but at the

same time we want to be as supportive as possible of the secretary general," he said. Mr Carlucci said the US

We continue to be opposed

Mr Velayati is also in New Mr Velayati is also in New York for separate talks with Mr Perez de Cnellar. Iran wants the Secretary-General to establish a speedy ceasefire, But there is a risk that Iraq'a demand could become a stick-ing point in UN peace moves over the pert few days.

over the next few days. As the talks got underway, heavy fighting continued

including a possibility that members might be asked to make long-term, interest-free ioans to the UN. Dedicated supporters of the organisation -Canada and the Nordic countries and such The Government's seemingly unilateral decision to cancel Amersham's golden share is an interesting refinement of pol-icy. Plainly, the principle is not being abandoned; British Steel, Nordic countries and such wealthy states as Japan and for instance, is to have its own golden share when it comes to West Germany-are considered the likeliest prospects. Despite the UN's involve-

prochement between the US and Iran, were a "parallel" issue to the ceasefire talks, and added:

"I think they (the Iranians) may exercise their positive influence in order to have this

THE US might be prepared to go along with Soviet participa-tion in a United Nations peace-

keeping force in the Gulf in spite of its traditional opposi-tion to Soviet influence in the

region, Mr Frank Carlucci, US Defence Secretary said yester-

Mr Carlncci, who goes to Moscow next week, also said the Soviet Union had told the

US that it wanted Vietnam to

withdraw from Kampuchea, a

By Our Foreign Staff

ington to unfreeze Iranian assets held in the US. The Reagan Administration

process Vietnam says will be completed by March 1990.

and the international televi-

sion news agency Visnews, Mr Carlucci said US allies in the

Gulf supported Washington's

view that western navies

should keep protecting ship-ping in the strategic oil lanes

until a ceasefire wa agreed. Asked whether Moscow

could play a peacekeeping role he said: "While the conflict

**US-Brazil clash over patents** 

In an interview with Reuters

was careful not to rule out continuing dialogue on issues ter, on a peace settlement as distinct from a ceasefire. including the hostages, but made clear there was question

US may accept Soviet role in Gulf

inside Iran, with Iranian opponot be "stampeded to reach or make a hasty step." He reiter-ated Iraq's demand for direct sition fighters pressing the offensive they launched on talks with Mr Ali Akhar Velay-Tuesday against western population centres. ati, the Iranian Foreign Minis-

Carincci hints on peacekeep ing force, Page 4

would be willing to join a mul-tinational peacekeeping force but that this could pose prob-

lems, given the tense state of

OUN Secretary General Javier Perez de Cuellar recom-

mended on Wednesday another six-month extension for the UN

Interim Force in Lebanon (Uni

fil) while expressing disatis-faction over the continued presence of Israeli troops in

southern Lebanon.

Iranian-American relations.

work management systems. These systems manage com-puter networks, making sure they run efficiently and alert-ing operators to faults when

they break down. With the growing complexity of computer networks, such systems have increasingly become central to the whole of the data communications business. By supplying them, the information technology compamies are opening a route into the rest of the data communications market. Companies involved in the new grouping include AT&T and Unisys of the US, along with British

Telecom. The market in network management systems - which is estimated to be worth hun-dreds of millions of dollars a year - has been fragmented, with each company producing its own proprietary product. There are no common standards.

The new group - called OSI/ Network Management Forum and based in New Jersey, was unveiled at press conferences in London, New York and Toronto yesterday. It main-tains that this lack of standards puts a burden on cus-tomers. This is because customers are either locked

customers are entrer locked into buying systems from a single supplier or waste money buying several systems. The group's aim is to unify the market, so parts of a sys-tem can be bought from sev-eral cumplicate within the eral suppliers, within two years. It says its activities will not compete with those of other international organisa-tions developing common stan-dards in this area, as it will be concerned with the swift implementation of standards on the basis of a unified approach, rather than with developing its own standards. Neither IBM nor Digital Equipment, both of the US and respectively the world's largest and second largest computer companies, have joined the

Mr-Brian Hewat, a director of Telecom Canada, one of the members of the group, said; however, that the group had

new group are: Amdahl and Hewlett-Packard of the US,

Midland Bank

for long.

For once, Midland's figures hold no nasty surprises. Indeed, a 10 per cent rise in the interim dividend, plus a reasonably conservative approach

golden share having served its

turn, it will be surprising if Amersham stays independent

his own efforts as a develope rather than through the effect of a rising market. The scale of his development ambitions may be enormous, but when the market eventually turns, they will be essential.

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**Continued** from Page 1 medical sc.ence being created in the developed world. Such arguments, however, are likely to cut little ice with The implicit, although Washington. The increasingly unstated, suggestion is that Brazil must have its own urgent worldwide drive by the US to consolidate intellectual industry for national security property rights has already reasons. Humanitarian need, scored successes in this field

WORLD WEATHER

the argument runs, is a higher priority than the nicetles of ownership where matters as crucial as health are concerned.

"There are no restrictions on foreign companies. They can sell in our market with the minimum of formalities," a Foreign Ministry official emphasised with undisguised indignation.

Algiers Anstandez Anstens Bairrato Bangkok Bercelong Bertrato Betast Bertra Bet

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in Sonth Korea and, more ecently, Chile. There is an additional prob-

lem. Whereas in the case of computers, the Section 301 action was initiated by the Federal Government itself, for pharmaceuticals the running is being made by the less flexi-ble PMA - an industry body that carries real weight in ional lobbie

Moreover, worried foreign manufacturers fear that if a clear example is not made for medicines, Brazil's vocal nationalists will push for new protectionist laws for the fine or intermediate chemicals sector.

Calming the ruffled feathers of both sides may prove diffi-cult. Brazil yesterday made a ritual protest in Geneva at the Uruguay round of talks under Gatt. But no formal complaint can be made until US retalia-

tion is in place. That is unlikely to happen before the end of September, when hearings should be com-

pleted on which products will face tariff walls (Brazil's powerful footwear and motor vehicle experiers look likely targets). Meanwhile, the visit next month by Mr George Shultz, US Secretary of State, will pro-vide a first opportunity to test the ground for compromise. Unless President Jose Sarney

feels the need to establish his nationalist credentials at the expense of domestic export industries - not impossible in the light of forthcoming elec-

tions - there will surely have

ŧ,

to be a compromise.

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## Thatcher attacks Delors

## Continued from Page 1

those who talked about economic and monetary union chould do what Britain had done to remove controls on capital movements, where Britain was "streets ahead" of most other EC countries. Thers were no circumstances, she maintained, in which she would agree to the ceding of the vast majority of social and economic decisions to the Community. She again rejected the creation of a Euro-pean central bank, which means that you have to surmer Conservative Cabinet minister under Mrs Thatcher, was render any fundamental eco-"extremely able"

# nomic decisions to another

country. That I will not do." The British Premier also defended the decision not to reappoint Lord Cockfield, who is 70, for another four-year term as a European Commissioner, for reasons of his age. It was, she said, a chance for another person to take his work forward. While Lord Cockfield had done a "very very good job", his replace-ment, Mr Leon Brittan, a for-

# manufacturer has joined.

Northern Telecom and Tele-com Canada of Canada and STC.

an open-door policy on mem-bership. "The more members we have, the more successful we stand to be," he said. The other members of the

group, although they had been invited. Similarly, no Japanese



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## pollo chief appointed as Honeywell Bull president

information systems company, has appointed Mr Roland Pam-pel, 53, president and chief executive officer. He joins the company from Apollo Com-puter where he was president and chief operating officer. Mr Pampel succeeds Mr Jar-

ome Meyer who will rejoin. Honeywell Inc in Minneapolis as president of the industrial automation and controls busi-

Mr Jacques Stern, chairman of Honeywell Bull and chair-man and chief executive of Groupe Bull, said Mr Pampel was chosen because of his management experience in the computer industry and for his

HONEYWELL Bull, the leadership in bringing technol-information systems company, ogles in the transfer, particu-has appointed Mr Roland Pam-larly in distributed cysteme and networking.

Mr Pampel has more than 25 years of technical and market-ing experience, beginning with International Business Machines where he became general manager and labora-tory director of the corpora-

tion's Kingston New York facil-ity and managed the initial development of IBM's Systems Network Architecture. In 1982 he joined Prime Com-puter where he was vice presi-dent of research and development. He then worked for AT&T as vice president, tech-nology and marketing, and

rose to president and chief operating officer in 1987. Honeywell Bull was formed in March 1987 by Bull of France, Honeywell of the US and NEC of Japan.

WANG Laboratories, the US computer system manufac-turer, bas appointed Mr Eugene Bullis, who is senior vice president, treasurer and corporate controller, to the additional position of chief financial officer

financial officer. Mr Bullis succeeds Mr Harry Chou, who remains vice chairman of the board and assumes the chairmanship of a newly created finance committee of the board.

## Kaiser Steel creates new top position

KAISER Steel has appointed The company said Mr Stod-Mr Richard Stoddard to the dard had extensive experience new position of chief executive. of working with employee and He is currently managing retiree-owned companies. Mr Stoddard's appointment Roath & Bregg. Kaiser Steel has been operat-

ing under the protection of the US Bankruptcy Court, District of Colorado, since filing for reorganisation under Chapter 11 in February 1987. A joint plan of reorganisation was filed with the Bankruptcy Court in March 1988.

positions but will remain as one of nine members of the board of the reorganised Kaiser Holdings, as proposed. Mr Stoddard's appointment has been approved by Kaiser Steel's board and its Official

\* \* \* DEROSE Industries has announced the resignation of Mr Victor DeRose, chairman **Unsecured Creditors' Commit-**

and chief executive. The company said Mr Keith Finley, president and chief operating officer, has taken on Mr Bruce Hendry will continue to serve as president and chairman of Kaiser Steel until confirmation of the reorganisathe additional responsibilities of chairman and chief execution plan. Upon confirmation, Mr Hendry will resign both tive.

## **NatSemi** promotes **business** executive

CALIFORNIA-based National Semiconductor, which designs, manufactures and markets advance proprietary semicon-dactor and systems products, has promoted Mr Lawrence Ludgus to vice president, busi-ness development, corporate

Mr Ludgus, 49, will handle acquisition, divestiture and partnership structuring and negotiations for the corpora-

He previously served as vice president, business development, for the company's semiconductor group, with respon-sibility for structuring and negotiations for technology artnerships. He managed the structuring

of agreements between National Semiconductor and the French and Israeli govern-

Having joined National Semiconductor 11 years ago as manager of tax research and planning, Mr Ludgus has since held positions within the company as director, external promes, for the semiconduc tor group and as the company's international com-sel.

## **Koppers moves after Beazer** takeover

BEAZER'S Koppers affiliate has named Mr Thomas Howard as chairman and chief execu-tive and Mr Frederick Moore as president and chief operating officer. It has also appointed Mr Roy Turner executiva vice Mr Howard and Mr Turner are chief executive officer and

chief financial officer, respec-tively, of Beazer's Gifford-Hill unit. Mr Moore was formerly a vice president at Koppers. Mr Howard replaces Mr Charles Pullin, while Mr Moore replaces Mr Glen Tenley, both of whom resigned.

Beazer recently acquired Koppers for \$1.81bn through its BNS affiliate.

\* \* \* CUMMINS Engine, the US die-sel engine and component manufacturer, has named Mr Peter Hamilton vice president and chief financial officer with effect from August 1.

Mr Hamilton is currently vice president, law and trea-sury, and he succeeds Mr John Hackett who is taking early

retirement

GENESCO, US apparel and footwear producer, announced that Mr Larry Shelton, execu-tive vice president in charge of its Greif tailored clothing busi-ness, has been promoted to president and chief operating

. . .

These posts had been held by Mr William Wire II, who retains his other roles of chair-Mr William Dragon Jr has resigned as an executive vice president and also as president of Genesco's Footwear Group to pursue other interests.

\* \* \* NATIONAL Intergroup, has announced the resignation of William Tauscher, chairman of its Foxmeyer subsidiary and vice chairman and a director of tha parent company. Mr Tauscher has left to pursue other business interests.

Mr Laurence Farley will suc-ceed Tauscher as chairman of Foxmeyer, a distribution and drug wholesale subsidiary.

Mr Farley continues as execntive vice president and chief financial officer of National Intergroup, which has interests in steel, energy and other areas, in addition to Foxmeyer.

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CAMPBELL SOUP has appointed Mr David Clark chairman and Mr John Cassaday president. Mr R.G. McGovern, the for-

mer chairman, remains as a director of the company.

## FINANCIAL TIMES THURSDAY JULY 28 1988 2. 24 ..... YOUNG

## ACCOUNTANTS

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#### Move to a future in the world of financial services

With over £750 million of investors funds under management, Albany Lite is one of the leading UK companies in the field of unit-jinked life assurance, investment and pension

funds. Young, dynamic and dedicated to growth on a phenomenal scate, we are now looking for a young Accountant ready for a move to the world of financial services. Join us and you'll not just get a fuil training in our field, you'll also get the chance to work in small teams and at all levels - taking full advantage of our own expanding future.

#### Management Accountant c£20k package, incl. car

Whether you're ACA, CACA or ICMA, this is a chance to use your qualifications to move into a management accounting role. As well as the preparation of monthly reports, budgets and forecasts you will help develop functional analysis of costs and related financial evaluation ormicels. evaluation projects

Benefits include life assurance, BUPA and non-contributory pension. Located near Potters Bar station, the company offers excellent M25, Hertfordshire and London access.

If you're interested in making a move into financial services, then please apply, with a full ov to: John Angel, Personnel and Training Manager, Albany Life Assurance Company Limited, Station House, 3 Darkes Lane, Potters Bar, Herts, ENS 1AJ.

Albany Life is part of the Metropolitan Life Group and a sister company to ACFC Corporate Finance, Metropolitan Unit Trust Managers and Century 21:

**Albany Life** 

# **Chief Accountant** High Profile Role for a Young Accountant

## International Banking Operation City up to £35,000 + car + banking benefits

As part of the strategy for rapid expansion of its overseas operations, the London subsidiary of our banking client wishes to strengthen it's financial function through the appointment of a Chief Accountant\_

This is an ideal opportunity for a young professional to take on a high profile role within the bank, and contribute extensively to an expansion of the London operation. Responsibilities will include the provision of a comprehensive

accounting and management service, and day-to-day running of an

Key tasks will be the implementation of a new accounting and reporting system, and acting as reporting officer to the various regulatory authorities.

Probably a graduate aged late 20's to mid 30's, the individual should be a qualified accountant, probably ACA, who has gained relevant experience within a financial services environment. In particular, familiarity with computer based banking systems, and accounting for multicurrency products is essential. Necessary personal qualities include a systematic and confident

rapidly assume responsibility within a fast paced yet friendly environment.

Dependent entirely upon the individuals age and experience, an excellent package will be offered, supported by the usual banking benefits.

Candidates should write enclosing a full curriculum vitae quoting reference MCS/4001 to Hamish Davidson, **Executive Selection Division Price Waterhouse Management Consultants** No. 1 London Bridge

**Investment** Accountant

## £30K-£35K package + car

Our client is one of the fastest growing groups in the field of specialist financial services. To assist them in implementing an ambitious programme of improving their Investment Administration function, this new, senior managerial position has been created. It will involve advising and assisting the Investment Administration Director by prescribing and instigating technical and management accounting policies over a wide range of securities aspects. Candidates should be qualified accountants with successful post qualifying experience in varied aspects of management preferably in the financial services sector, a thorough knowledge of the Securities Industry would be an advantage. Applicants will be used to dealing at a senior accounting level and operating in a commercially minded,

innovative atmosphere.

Strong technical ability and interpersonal skills are necessary in order to motivate colleagues successfully and lead by example. The work ethos is friendly, informal and caring; also fast-moving and highly professional; a positive personality is essential to work with this young management team.

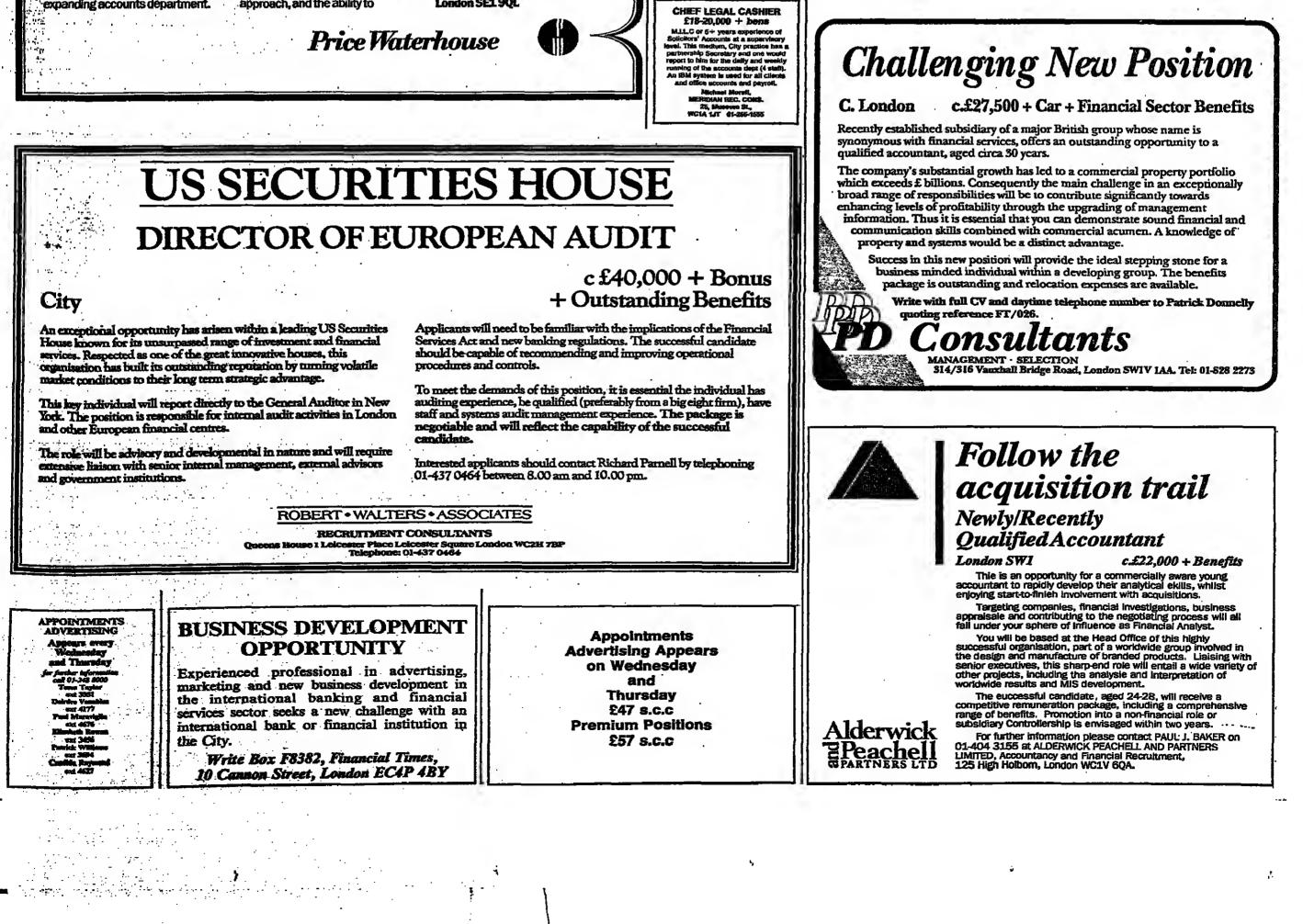
The nature of this position needs a knowledge and application of current accounting legislation and policies, first-rate communication skills and the use of initiative and imagination.

The successful applicant will also play a major role in the provision of quality investment information and the development and implementation of related new computer systems.

Future prospects are excellent with considerable scope for personal development.

PLEASE TELEPHONE MRS JOAN WOODS, 01-236 1113 OR WRITE TO HER, ENCLOSING A FULL C.V. AT PORTMAN RECRUITMENT SERVICES LTD, 15 GREAT SAINT THOMAS APOSTLE, LONDON EC4V 2BB.





# **Finance Director** (designate) to £37,500 + car etc

Bucks

Our client, HAYDEN LABORATORIES LTD is located in Chalfont, St Peter a very pleasant part of the county and its principal activities include the Marketing, Sales and Distribution of high quality electronic equipment. To take account of several years of successful growth and profits, the Company now wishes to recruit, for the first time, a business minded financial executive to this key position.

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Reporting to and working closely with the Managing Director, the eppointee will be totally responsible for the full accounting and finance

functions and in addition, participate as part of a small, but highly committed commercial team and therefore have a natural enthusiasm and ability to make a positive contribution to the continuing success of the Company.

Mature and experienced applicants, 35 years plus, must be Chartered Accountants, enjoying challenge, responsibility and capable of making impact at an early stage. They must be creative, highly adaptable and prepared to get Involved as well as being the prime source of advice and support to

the Managing Director. in addition to a competitive salary and car etc the successful applicant can look forward to a rewarding and progressive career in an exciting and expanding environment.

Candidates interested should write enclosing a full CV including salary history and quoting reference MCS/7233 to:

Michael R. Andrews **Executive Selection Division Price Waterhouse Management Consultants** No. 1 London Bridge London SE1 9QL



## £20,000 - 24,000 KENT Major Industrial concern seck a Qualified Chartered Accountant, with 2/3 years manufacturing experience. You will be producing monthly accounts, completing internal audits, propering reasonsy reports, analyzing market treads etc. Excellent benefits and a fully COMPACTORINE TRICCADOR D ure offered. Apply now to Suzame Wood Woodland Consultancy Services San Alliance House 29 London Read micy, Kent. BRI 1DG TEL: 01 464 7524

FINANCIAL ACCOUNTANT

INTERNAL AUDITOR Goss Who? Highly mocential, sepirity superfing High St. Co. based Suster, Unlimited properts. ACA/AOCA qual, excessing Sal: LDOK + comprehensive bundles participat. PSE EXECUTIVE RECRUITMENT Astifard, Lost Tat \$233 45678

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# **Divisional Chief** Accountant

# $To \pounds 27.500 + car$

The organisation is a £300m multi-location division of a major British industrial multinational. Through technical innovation, product performance and reliability the division has become a market leader and is recognised as a prime supplier world wide.

prime supplier world wide. Based in the Corporate headquarters, this key management role will be a major influence on the division's financial issues, with high visibility which includes handling a variety of important relationships and assignments. Direct responsibilities include preparing financial statements and statutory accounts; advancing the head affice accounting function; enhancing cash management and currency dealing; providing technical leadership and advice to subsidiary operations; and supporting the optimisation of financial actions. performance.

Applicants should be qualified accountants aged 28-37 with a sound record of achievement within a large commercially orientated manufacturing/industrial organisation. The technical competence and personal standing to deal independently at a senior level is essential. Location West London. Relocation assistance is available where appropriate. Please reply in confidence quoting Ref. EL37 to:

Adrian B. Edgeli Mason & Nurse Associates 5a Station Road, Esham, Surrey TW208QB. Tel: 0784-71255 Offices in London, Birminghom and Egham



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Part-Qualified's

You may be only part-qualified for accountancy. But you're fully qualified for selling accountancy systems. and a second second

## **DIVISIONAL CONTROLLER**

£35,000 + Bonus + Car CITY Commercially strong accountant with exposure to manufacturing sector sought by expanding world-wide consumer goods group. Age 28-38, ACCA/ACMA, you must be computer-orientated and ready for an early financial directorship. Ref: JE1258 FINANCIAL CONTROL MANAGER

to £34,000 + Bank Benefits CITY Leading US investment bank seeks a qualified accountant aged 27-35, with experience of international banking, to take responsibility for the accounting and reporting function and to provide quality manage Ref: HK1265

#### PROJECT MANAGER

CITY

c£30,000 + Bank Benefits An analytical accountant, aged 28-33, with proven experience of problem-solving is sought for an internal consultancy role within a highly respected UK merchant bank. Broad exposure to be gained of entire banking operations. Ref: SA1260

## **GROUP FINANCIAL CONTROLLER**

£28,000 + Car SE1 Active international trading group and UK market leader seeks an ACA, aged 30-35, to undertake this broad and challenging role. You will need proven man management and computer development skills. Ref: SW3920

## **GROUP MANAGEMENT ACCOUNTANT**

£25,000 + Bank Benefits CITY Prestigious UK merchant bank requires a qualified accountant, aged 25-32, to assume responsibility for management and statutory reporting and the provision of regular and ad hoc information to directors and senior management. Ref: HK1262

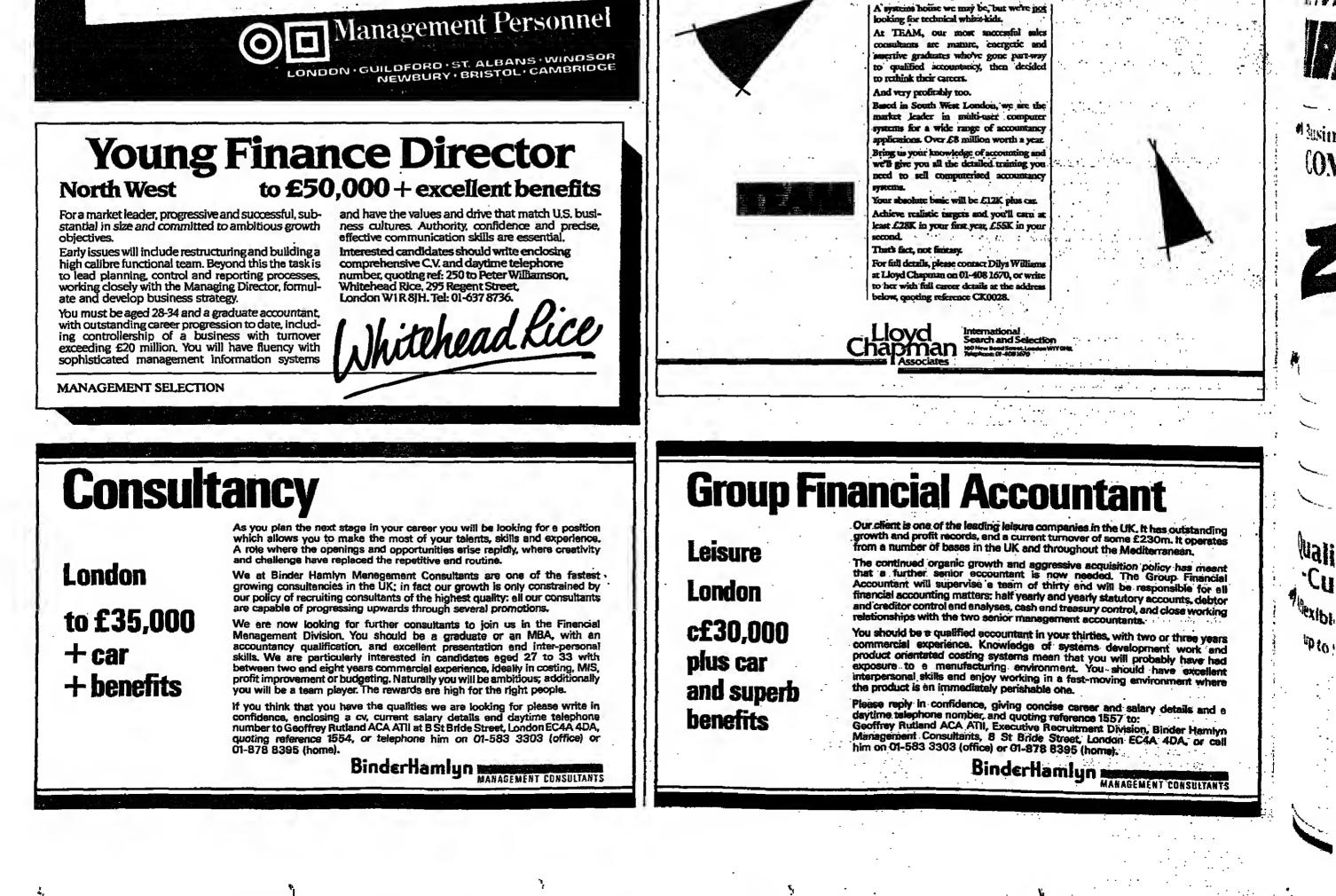
## FINANCIAL DIRECTOR DESIGNATE

W1

£25,000 + Car Profitable and rapidly expanding building group requires an ACA/ACMA, aged 27-32, to become actively involved in all areas of the accounting function. You can expect promotion to director within two years. Ref: SW5389

To be considered for these or other similar opportunities please write to or telephone:

Management Personnel 25 City Road, LONDON EC1Y 1AA Telephone 01 256 5041 (24 hours) Management Personnel 2 Swallow Place, LONDON WIR 8AA Telephone 01 408 1694 (24 hours)



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# FINANCE DIRECTOR

## City c£45,000 + car

Our client is the UK subsidiary group of an expanding European business with operations in transportation and related services, including shipping. To strengthen its small corporate head office team the Group seeks to recruit a commercially minded finance executive.

Reporting to the UK Managing Director, the Finance Director will be responsible for all financial affairs and will advise the Board on the Group's financial strategy. This will encompass:

· Treasury management, including review of -alternative sources of finance and management of the Group's currency exposures.

 Financial evaluation of acquisition projects and major capital projects.

 Involvement in strategic business planning, tax planning and participate generally in the development of the business.

· Review of accounting systems and financial performance throughout the Group.

Candidates must be qualified accountants, able to demonstrate a successful career to date, which will have included exposure to the financial reporting requirements of an international group. You must be a practical, tough-minded and resilient manager with the enthusiasm to make a strong constructive contribution to the strategic development of the Group. An ability to take an overview of both operational and strategic activities is essential.

Please write in confidence, enclosing full career details, quoting reference M6416 to Anne Routledge.

# **KPMG** Peat Marwick McLintock

**Executive Selection and Search** 70 Fleet Street, London EC4Y 1EU.

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## FINANCIAL DIRECTOR Warwickshire c.£40,000+Bonus+Car

This highly growth orientated, multidiscipline design consultancy are embarking on a significant programme of development and expansion. To complement their strong and innovative management team, the Board now seek to create the role of Financial Director. In essence your role will be to provide financial input to strategic planning, commercial development. and effective decision making. Your brief dil be to ensure that the financial and management information is generated to a state of sophistication appropriate for future business strategy and business policy. The role carries a significant responsibility for marshalling the various functional

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**KPMG** Peat Marwick McLintock

inputs, leading from that to advising the Board and playing a front-line role in growing the business. Under the direction of the Board you will be called upon to undertake special ad hoc exercises relating to acquisition, flotation or merger.

We would like to hear from qualified. Accountants with a track record of achievement, and the ability to lead a team of creative entrepreneurs into the future.

The salary and benefits package will more than reflect the calibre of individual required.

Please apply in writing, quoting reference B/135/88 to Steven French.

## **Finance Director**

Central London

Our client, an autonomous subsidiary of a major European group, handles annually the import, storage and distribution of 1.5 million tonnes of paper and other forest products. Operational turnover is £25 million and some 70 staff are employed.

Reporting to the Managing Director the appointee will work closely with the Directors responsible for port operations and distribution. Key responsibilities are management and financial accounting, personnel and administration. As a member of the management eam, the Finance Director must also be able to contribute to the strategic development of the business.

The need is for a qualified accountant, probably aged at least 35, who has successfully managed computerised accounts functions

& excellent benefits

to £32,000 + car

in a large company or division, either in manufacturing or commerce. The position will appeal to a mature and broadly based accountant who envisages a long term commitment to the Company.

Above average benefits include a bonus, a quality car, BUPA and an exceptionally good pension scheme.

Please reply to Barbara Robertson in strict confidence with details of zge, career and salary progression, education and qualifications, quoting reference 5132/FT on both envelope and letter.



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Management Consultancy Division PO. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

# **GROUP FINANCIAL CONTROLLER** Key role in a £650 million turnover multi-national Manufacturer and Retailer

## c.£38,000 + Car + Benefits

Our client is a highly reputable and long standing Company whose UK operations encompass several very well known high street names. The shape of its business is changing rapidly and a oumber of challenges are being faced.

As part of a small corporate team the successful candidate's contribution will be highly visible and very much "hands on;" immediate priorities include guidance to operating subsidiaries on group accounting standards and the development of reporting packages and managerial information systems. Other key responsibilities will be the consolidation and preparation of statutory accounts, the management of the Group's internal audit function, oew venture appraisal and the integration of new acquisitions, the

maintenance of banking relationships, and treasury management.

Applicants should be professionally qualified accountants who can demonstrate significant career progress in a manufacturing/f.m.c.g. environmeot or a major Finance House. Experience of international operations and/or acquisitions and mergers will be advantageous as will evidence of the ability to establish positive and successful relations with subsidiaries within a PLC.

Strong commercial awareoess is essential, as is an outgoing and resourceful personality which allies diplomacy to a firm sense of purpose. The remuneratioo package is oegotiable and assistance will be given for relocation to an attractive part of the West Country. Please send full career details, in confidence, quoting reference C8508 to Mike Blanckenhagen.

## KPMG Peat Marwick McLintock

70 Fleet Street, London EC4Y 1EU

Executive Selection Peat House, 45 Church Street, Birmingham B3 2DL.

## Business Minded Accountant/MBA for 'No. 2' Finance Role **COMMERCIAL PLANNING MANAGER**

#### London Age 28-32

Our client is a 'household name', rapidly expanding major plc with extensive European operations. The Group has a strong reputation for its aggressive, dynamic 'financially driven' management which has made it a leading company in the consumer service

It seeks an energetic, self-motivated and highly commercially-minded young individual to manage the Financial Plenning function of its UK operating subsidiary. Reporting to the Financial Director, you will be supported by a small number of staff and you will be a key member of the senior business management

Your responsibilities will include the preparation of annual and long-term plans, monitoring and critically apportising operating results, producing forecasts of

c£35-38,000+Bonus+Car

performance and identifying and implementing profit improvement opportunities.

This is an exceptionally visible and business orientated finance role giving very high exposure to operations which will provide a sound springboard to a Finance Directorship or other senior commercial role within the Group.

You will be a qualified Accountant or MBA with relevant experience gained in a commercial, highly disciplined environment. You will also be selfconfident but tactful, a good communicator and possess strong powers of persuasion.

If you can rise to the challenge of this role you should write, enclosing a current CV and salary details, to Harry Chryssaphes, Director, at: FNS, 14 Cork Street, London WIX 1PE.

## YOUNG MANAGEMENT ACCOUNTANT

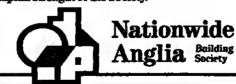
## A high-profile role for a newly-qualified high climber

To \$23K + Car + Concessionary Mortgage · London

Deregulation of the Building Societies has swept away old trading restrictions and swept to prominence a new breed of highly ambitious accounting professional. Nowhere is this more evident than at Nationwide Anglia - the force that was recently created from the merger of the

Nationwide and Anglia Building Societies. With over \$21 billion of combined assets backed by gross capital now in excess of £1 billion, we are now one of the most powerful influences in the financial services inclustry ... and one of the most powerful attractions for talented professionals like you.

Essentially, we are looking for a young, London-based Management Accountant who can confidently liaise with all levels of management and play a major part in the monitoring, assessment and control of the financial and capital strength of the Society.



A mature young professional who can investigate and analyse the full range of services and products that the Group is providing, developing or assessing and report on profit performance and effective use of capital.

It's a demanding but fascinating brief that commands an excellent rewards package. Apart from the good salary, we are offering a concessionary mortgage, fully expensed car, profit sharing scheme and generous relocation stance.

## Seize the initiative

From every angle, a move to Nationwide Anglia makes a lot of sense. So seize the initiative - send your cv (including your current salary) to: Richard Wharton, Personnel Administration Manager, Nationwide Anglia Building Society, Chesterfield House, Bloomsbury Way, London WCIV 6PW. Alternatively, speak to him on 01-242 8822 ext. 2580 for an application form or further information.

## LAWYER OR ACCOUNTANT **INVESTMENT PRODUCT DEVELOPMENT**

An exciting project management role in a major international investment management firm

John Sears

This is an opportunity to join a small team in a highly innovative niche area of investment management. The Company, which is a subsidiary of a major international investment management group is involved in the design and construction of specialist international investment funds. The success of the funds already launched and the potential for further products have created the need for additional operational and technical support.

The prime responsibility of this job will be to manage the technical construction of new products from design to implementation. This will involve the legal formation of investment funds and companies both in the UK and overseas, utilising professional advice from lawyers, accountants and corporate financiers and entailing participation in negotiations with governments and business partners.

It is likely that the person appointed will possess a legal or accounting qualification and may have gained experience in either corporate finance, venture capital or specialist banking. A knowledge of investment products would obviously be an advantage but more important are problem solving and communications skills and the ability to deal with a high volume, complex workload accurately and promptly. The work will be varied and demanding and you will have the support of a Technical Assistant. The position offers a very attractive compensation

and benefits package if you would like to be considered, please write in complete confidence to: Michael Thompson, Managing Director, John Sears and Associates, 2 Oueen Anne's Gate Buildings, Dartmouth Street, London, SWIH 9BP or telephone him on 01-222-7733.

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**Financial Management** 

## **Qualified Accountant** -Customer Billing

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A flexible career-not a job for life. up to £25.000 + car + benefits

Things move fast at Wang. As a company providing some of today's most sophisticated information systems, we have to be totally flexible in our approach in business, in order to develop and retain well-rounded business professionals who can thrive in this exciting but tough environment, personal and career development is of the birther priority.

environment, personal and career development to the or-highest priority. Right now we need a qualified Accountant to manage our maintenance billing function. This is a challenging role, spanning Wang's entire UK operation and supported by a 16-strong testim. Essentially you will be the driving force behind the customer billing function, ensuring effective administration, adherance to policies, monthly

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reconciliation, and continuous communication with managers in Wang business units. We're looking for an accountant aged up to 30, with 2-3 years' post-qualifying experience and some knowledg of billing and contract administration. More importantly we're looking for professionalism, commitment, commercial business sense and a lively and intelligent personality. Within 2-3 years you may want to diversify and move to another totally unrelated business area — such cross-functional moves are encouraged. The salary and benefits package are among the best.

such cross-functional moves are encouraged. The salary and benefits package are among the best. Please apply by writing with full cv to John Green, Personnel Manager, Wang (UK) Ltd. Wang House, 1000 Great West Road, Brentford, Middleser, TW8 9HL, or telephone 01-847 1954 (24-hour answering service) for an application form.



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## **Deputy controller**

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West London +

**Overseas travel** 

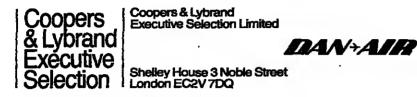
Surrey/Sussex border, c£32,500 + car

Dan Air Services Limited is one of Britain's leading independent airline operators. With a fleet of some 50 aircraft, it successfully generates annual revenues of over £300 million, flying in excess of 5 million passengers by both chartered and scheduled services to Europe and beyond.

Growth has led to the recent restructuring of the finance function resulting in the additional requirement for a Deputy Controller. With a staff of 100 plus, you will be primarily responsible for the accounting of all airline operational and overhead costs and scheduled services revenues, from which the production of timely and accurate data is crucial to the profitable management of the business. An immediate task will be to appraise and, where necessary, develop the systems needed, particularly the use of information technology.

You will be a qualified accountant, aged early to mid 30's, with a sound accounting track record in a similar sophisticated high volume transaction service business, extensively using modern technology. Experience of currency accounting is important as are the Interpersonal skills to manage a large staff in a challenging and complex 'real time' environment.

Résumés, with daytime telephone number please, to Chris Haworth, ref CH960.



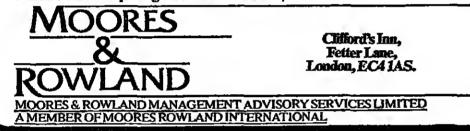
## Accountant **Entertainment Industry**

## £28,000 plus

On behalf of our client in the entertainment industry we are looking for an accountant to take control of the entire accounting function of a group of businesses related to an internationally famous pop group. The job will be concerned with many activities, personal and corporate, including tours, recording contracts and royalties.

A young, energetic qualified accountant, aged 25 - 30 will find this to be a first class opportunity to gain valuable experience within a specific industry which could ultimately offer excellent career development prospects.

Please send a hand-written covering letter and CV to Mr N. W. Jarman or Mr. R. N. Collier quoting reference number AA/L.



# SYSTEMS ACCOUNTAI

### London

Computer

Audit

Management

International

Banking

Hong Kong

Tax paid salary

plus expatriate benefits

Our client is a leading, international property development, investment and management Group which has experienced consistent growth in the last decade. A systems accountant is now required to join the senior accounting team based at the Group's head office in central London.

This is a new appointment with responsibility for the specification, implementation and update of computerised and manual accounting systems, with some involvement in Group consolidation. It will necessitate considerable

## to £30,000 plus profit share + car

liaison with a wide range of users and with data processing staff. The position calls for a young, personable chartered or certified accountant with post qualification commercial experience as a user of computerised systems and with involvement in accounting systems design. This is a key role within the organisation and presents an opportunity to make a very real contribution to the effectiveness of the accounting function. 

Please write in confidence with full career details, quoting ref. 4282 to Rosalba De List.

## KPING Peat Marwick McLintock

Executive Selection and Search 70 Floet Street, London EC4Y 1EU

HoughongBank, one of the world's leading international banks, requires an experienced executive to fill the position of Assistant Manager Computer Audit in its Hong Kong Head Office. This is an exceptional career opportunity with responsibilities covering the andit of the Group's 250+ EDP systems and 100+installations throughout the world.

Advanced and progressive systems in use and under development, including electronic banking and global telecommunications network, provide a challenging working environment. Principal functions of the Computer Audit Division are as follows

- Monitoring of systems under development and advising on control implications.

- Auditing installations and systems.
- Development of audit software and integrated audit programmes.

The Assistant Manager will be involved in the day-to-day running of the division, and will manage complex audit assignments and systems reviews which could involve up to 25% travel overseas, mainly in the Asia Pacific region.

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Candidates should demonstrate a high level of technical expertise as well as having well developed audit skills. Knowledge of banking applications will be a distinct advantage as will familiarity with IBM mainframe and mini computers.

The preferred candidate is likely to be a qualified chartered accountant with computer andit experience, or else have a professional qualification in computing and a background in computer consultancy or systems design. Essential personal qualifies must include excellent communication skills and proven management ability. The salary will be paid in HK\$ in the range HK\$ 29,000-35,000 per month tax paid, and benefits include free furnished accommodation, gratuity, a housing loan in your home country, children's education allowance, and six weeks sunnal leave with travel

package. Please apply by 9th August with fall C.V. and recent photograph to:-

International Recruitment Officer, The HongkongBank Group 99 Bishopsgate, London EC2P 2EA.

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**Chief Executive** 

## staddard sekers **GROUP FINANCIAL DIRECTOR - DESIGNATE**

## Glasgow Area £50k package + car

Following recent major acquisitions, Stoddard-Sekers International plc, a profitable Group with £60m sales, is seeking to appoint a Group Financial Director — Designate. The group manufactures premium and luxury furnishings and other consumer products in various locations in the UK.

The person appointed will initially report to the Group Financial Director and it is envisaged will have the capacity to take over from him within a year.

The successful candidate will be responsible for a broad range of Group financial matters including management information and control, treasury, EDP, taxation and budgets. The person will also be expected to contribute significantly to the Group's strategic direction, and will be actively involved in the financial assessment of new ventures and possible acquisitions.

#### Applicants must be Chartered Accountants with several years senior management experience gained from within manufacturing industry.

In addition to high technical competence and excellent interpersonal skills, they must have the commercial awareness necessary to make an early contribution to the continued expansion of the Group. Experience in the control of European subsidiaries would also be an advantage.

In return, a comprehensive remuneration package is offered including profit sharing and share options plus other benefits associated with a progressive Group.

Please write in the strictest confidence giving concise career, personal and salary details, quoting reference G316 to GRAHAM PRIMROSE.

## **KPMG** Peat Marwick McLintock



**Executive Selection and Search** 24 Blythswood Square, Glasgow G2 4QS.

# Young Chief Accountant West Middlesex to £24,000

Our client is a small but important subsidiary of a major British group and holds a leading position in its sector of the aviation industry.

They wish to strengthen the finance function to meet tha demands of the business and are seeking a high calibre qualified accountant for the new position of Chief Accountant. The responsibilities will be wide ranging and as well as managing the department, will include the accountant is a set of the se production of accounts and managament information, budgeting and systems development.

This is a first-class opportunity for e talented accountant, aged 27-30, with some previous commercial experience and a sound working knowledge of computer-based systems. It calls for the ability to work on your own initiative and contribute to tha company's success.

A fully competitive salary and attractive range of benefits are offered.

Please send concise details, including current salary and daytime telephone number, quoting reference N2028, to W.S. Gilliland, Executive Selection Division, Grant Thornton Management Consultants Limited, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

Management Consultants OFFICIAL SPONSOR OF THE 1998 BRITISH OLYMPIC TEAM

## Hallamshire Investments Sheffield

Newly established by a group of leading local industrialists, Hallamshire Investments is an exciting venture which is designed to complement the various regeneration initiatives which are taking place in and around the City of Sheffield. Modelled along the lines of the Local Development Banks which have proved so successful in the USA, and fully supported by the City Council, the company will identify and invest in a series of profitable property and redevelopment projects.

We are now seeking an experienced Chief Executive to establish the organisation, initiate and manage the growing investment portfolio and, responding to the Board, take overall responsibility for the perfor-

mance of the company. Candidates will be expected to have an indepth knowledge of commercial and industrial property, be fully conversant with the

## package c. £50,000

sources and evaluation of project funding and have appropriate personal qualities to represent the company's interests at the highest level in the financial and local communities. A successful track record is a mandatory requirement for this post and whilst young, able executives may see this as a prime opportunity to make a name for themselves, it would also appeal to the senior Board-level executive who is seeking a final career move.

The remuneration package is expected to consist of a substantial salary, executive car, share options and all usual benefits. To apply please send a comprehensive CV, together with salary history, stating clearly what.

contribution you could make to this venture. Alternatively, request an application form from the company's adviser, Ross Monro (ref. 2490/RM/FE). All replies will be treated in strict confidence

PA Personnel Services

Executive Recruitment - Human Resource Consultancy

PA Personnel Services, 13-19 St PanPs Street, Leeds LS1 2JG Tel: 0532 424220

## CORPORATE DEVELOPMENT

We are committed to developing and rationalising our international trading base and substantial funding is available for appropriate acquisitions.

A further Head Office appointment is to be made to the small corporate team which is dedicated to this work.

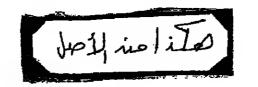
The key tasks are to search out and analyse business opportunities in the UK and overseas; to evaluate the effects of possible acquisitions; and to take part in negotiations with target companies. The Boots Company PLC

Just institut

Candidates will be well qualified, preferably Chartered Accountances or MBAs, essentially with relevant experience in MSA work or in closely related activities. They must also have the personal qualities which will enable them to have significant influence in the direction of corporate strategies. Salary will reflect experience, capability and the professional

contribution. Other benefits include profit sharing, executive car and support for relocation to Nottingham. 

Please write with details of your experience to: Mr J L Muncey, Head of Central Personnel, The Boots Company PLC, Head Office, Nottingham NG2 3AA. .....



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**FINANCIAL TIMES THURSDAY JULY 28 1988** 

## International Advertising Group **European Treasury Management**

## Central London

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An outstanding opportunity has arisen for a dynamic young ACA to create and manage the treasury function within the Headquarters of the largest marketing services group in

Along with being the world's largest single advertising agency, the group is also one of the leading players in the sales promotion, direct marketing and PR markets, operating in 13 European countries. The company's plans for further growth and continued success are second to none.

The role itself encompasses all aspects of treasury and cash management. Specifically this will cover FX, capitalisation and loan issues as well as cash flow management and divide policy matters. Particular emphasis will be placed on the development of treasury reporting and information systems as well as the investment

WE RECEIVE AND AN AND A STATE OF A STATE

GAZELEY

of surplus funds throughout Europe.

This excellent opportunity will be of interest to qualified accountants aged 27-32 with at least two years substantial treasury experience. You will also have gained, or be working towards, the ACT qualification. Probably in a number 2 position at present, you will be looking to further develop your considerable creative and technical skills in a dynamic and challenging environment where ability is substantially

to £30,000 + Car

Interested candidates should write enclosing a comprehens curriculum vitae and daytime telephone number to Ken Brotherston, at Michael Page Partn

39-41 Parker Street, London WC2B 5LH, quoting ref. B101.

International Recruitment Consultants London Bristol Windsor St Albens Leatherhead Birmingham Nottingha Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Michael Page Partnership

**Financial Controller** c £32,000 + Bonus + Car Our client is the £11 million turnover subsidiary of a small also have full scope to determine your organisational needs. group in the Data Communications industry and is

You will be a qualified accountant aged 32-40 with experience in a high value added manufacturing and development environment, with a project bias rather than high volume. Personal qualities will include excellent interpersonal and presentation skills, a participative style of management, and a creative approach to commercial issues and problem solving. This presents an excellent opportunity to join the company as its first Financial Controller at a critical stage in its development and will lead to a Directorship in 18 months or so for the right individual.

Please submit your CV in application to:- Wayne Thomas, Executive Division, Michael Page Partnership, Windsor Bridge House, I Brocas Street, Eton, Berkshire SL4 6BW.

Michael Page Partnership International Recruitment Consultant London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Newcastle-upon-Type Glascow & Worldwide

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Why .

Gazelev Properties is a wholly owned subsidiary of the £2.5 billion turnover Anda Group plc, one of the most successful retailing groups in recent years.

The property company is at the centre of the Group's ambitious development plans for over 80 new 'out oftown' Asda and Allied superstores. In addition they will systematically seek out opportunities for a growing profit stream from property related activities. They are already a major force in the property market with significant

plans to further increase their share of the market. Over the last 18 months growth has far exceeded expectations. Following this recent activity an opportunity has now

arisen for a bright, qualified accountant to join the Senior Management Team. Reporting directly to the Finance Director your responsibilities will be:

\* preparation of strategic corporate plans. \* preparation of annual budgets.

+ preparation of management and annual accounts.

\* liaison with auditors. + staff management.

A graduate, aged 26-35, you should be able to demonstrate a successful track record to date, ideally within a property development or investment environment. A positive, intelligent and practical approach combined with good communicative skills are the key characteristics required for this role.

Interested candidates should write to Richard Wright, Michael Page Partnership, Centurion House, 136-142 London Road, St Albans, Herts, AL1 1SA.

# **Chief Accountant**

(for subsidiary of multi-national group)

West End of London c£29,000 plus car and bonus

activities and mergers and

acquisitions. You will report to the

Finance Director and have total

A prestigious and diversified multiinclude accounting for treasury national group requires a Chief Acountant for one of its main operating subsidiaries, which is dealing successfully in commodities, responsibility for the accounts financial futures, shipping, and freight chartering. The job will Involve control of

and monthly accounting, budgeting,

and areas of corporate finance to

South Bucks

anticipated to continue

specifically involved in the manufacturing, developm

This growth and the development of a philosophy of

divisionalised autonomy has generated the requirement fo highly commercial Financial Controller. Reporting to the

Managing Director you will have a very wide responsibility i

all commercial and financial matters affecting company

from central to divisional financial control, you will

performance. During the short transition period

sale of data communication equipment and systems. Following a management buy-out in 1986 the Group and this subsidiary has undergone a substantial turnsround in profitability and is currently enjoying 20% per annum growth which is

department. thirteen associated/subsidiary companies, encompassing statutory

A qualified accountant, you will need to be an adept staff-manager with several years' experience outside the profession. You will be required to communicate at all levels

within the company, while remaining

firmly in charge of a busy, youthful department.

Prior experience within commodity trading is not essential.

Please write, enclosing a full CV and salary details, quoting reference MCS/2021 to Christopher Bainton **Executive Selection Division Price Waterbouse** Management Consultants No. 1 London Bridge London SE1 90L

**Price Waterhouse** 



**Stamp Duties Consultant** 



GROUP

## **Group Financial Director**

THE HAMMERSON GROUP

£20.000-£25.000 pa

PA to the

Following upon the recent appointment of the Group Financial Director and the forward plans for the development of the Hammerson Group, the third largest property group in the UK, they are now looking for a PA to the Group Financial Director.

He or she should ideally be newly qualified from a major firm and aged 24-26. He or she should have good analytical skills and will be responsible on behalf of the

Group Financial Director for:-a) Initially reviewing financing and funding proposals for mergers and acquisitions worldwide;

b) Special projects and management information. Replies in confidence should be addressed to:

#### David Sheppard, Esq

DAVID SHEPPARD & PARTNERS LTD. 21 Cleveland Place. London SWIY 6RL Tet: 01-930 8786 who is retained as Consultant to the Hammerson Group

FINANCIAL CONTROLLER

SW 200400 + Car Progressive expanding Finance House specialising in the Leisure industry has an opening for a Qualified Accountant. A packground in computerised accounting systems would be particularly relevant as he/she will be responsible for the implementation of new computerised accounting and administration system with particular reference to current Bank of England reporting requirements.

highly challenging and interesting job here team-work as well as self motivation the key to a rewarding future.

lease apply in writing; enclosing a full c.v. Mr W R Ruffler Jnr Lordsvale Finance ELC, 111/113 Wandsworth High Street SW18 HIY

> APPOINTMENTS ADVERTISING cars every Wednesday and Thursday for further information call 01-248 8000

Tessa Taylor ext 3351 Delsire Vessbles ext 4177 Paul Maraviglia ext 4676 Elizabeth Rowan ext 3456 Patrick Williams ext 3454 Candida Raymond ext 4657



This is a unique opportunity for a tax lawyer or consultant with stamp duty experience.

You will work alongside a Principal Consultant with a wide knowledge of stamp duties

legislation. You will enjoy a broad range of assignments, where the incidence of stamp duties may be a critical factor in a major business decision.

The work is high profile, exacting and 'up to the minute,' frequently involving complex negotiations and modern business thinking in the fields of:

Acquisitions, mergers and

**Price Waterhouse** 

£35k (with early review) + benefits

Protocol and the security Recruitment Consultancy

- take-overs Demergers and reorganisation
- Privatisation

- Transfers of business assets
- Capital market transactions.

You will have substantial contact with tax partners and consultants throughout the UK firm and will be involved in the marketing and development of this specialism through client meetings, seminars and training courses.

Career prospects are excellent both in this specialised area and in the wider spectrum of our vibrant tax practice. Outstanding candidates will have partnership prospects without the need to obtain further professional. qualifications. Please write, with brief CV, to:

John R Townend National Tax Recruitment

Manager

**Price Waterhouse 32 London Bridge Street** London SE1 9SY

rgh, Glasgow, Leeds, Leicester, Liverpool, Manc or Associated firms in Ireland and the Channel Is

Senior Manager

**Corporate Finance Division** 

My client is part of a substantial, privately owned international group who specialise in large scale property development and investment. They are now urgently seeking a high calibre executive with direct and recent experience of the UK property market and current business trends. At a senior level, you'll negotiate funding with bankers and financial institutions on a world-wide basis, whilst also investigating and identifying promisition assets for future accuritation.

Institutions on a world-wide basis, whilst also investigating and identifying promising assets for future acquisition. Probably aged about 30, you should hold a Master's degree in an appropriate discipline, together with a broad based auditing, business, management and tax experience. Fairly extensive overseas travel is involved, sometimes at very short notice. Salary will be reviewed after 6 months, when relocation assistance may also be available, and there are the usual large company benefits. Most importantly — you will be joining a group keen to recognise, reward and promote high achievers. Please write in the first instance, enclosing full CV to Mary Hurley, PER, Rex House, 4-12 Regent Street, London SW1Y 4PP.

# TREASURER

#### Manchester Late 20's/early 30's

£40,000 package Exec car + benefits

Coloroll is now the largest home fashion group in the UK - having established a prominent position in a number of market sectors. The recent successful bid for John Crowther has brought additional businesses into the Group and is expected to take turnover beyond £600 million p.a. Coloroll's philosophy is to operate



autonomous profit-responsible divisions Indeed to specific brand names, with a small team of key professionals at the Manchester headquarters. The explosive growth of the last 2/3 years now requires a Group

Treasurer to join this team. Your role will centre on liquidity management of an increasingly diverse range of Your role will centre on liquidity management of an increasingly diverse range of companies. You will review, and as necessary improve, current systems for monitoring cash requirements - present and projected. You will keep a tight control over the Group's foreign currency exposure, hedging overseas assets as appropriate and overseeing all significant import/export transactions. You will take the lead in negotiating Group-wide funding facilities, researching new treasury instruments and maintaining banking relationships at the highest level. You will be a high calibre, graduate/MBA professional, probably a qualified account of the campace in compared transmit management.

accountant, with sound experience in corporate treasury management. Your personal style will be alert, incisive, persuasive - with a presence that carries weight in your external dealings. You will also have an eye for detail and an interest in utilising latest technology - including your own PC - in handling the complex data flows within a dynamic business. Working within a sophisticated central unit, you will maintain a regular, advisory interface with senior excutives throughout the organisation. Success in this highly

interface with senior excutives throughout the organisation. Success in this highly visible role will lead to unrivalled opportunities for personal growth and career progression

Please apply to Dudley Harrop or Lawrence Barnett at our Manchester office outling reference number MNR5.



Eagle Buildings, 64 Cross Street Manchester M2 4jQ. Tel: 061-834 0618 Also at: Leeds and Liverpool

Attractive salary & benefits + car

ASB RECRUITMENT LTD & Division of ASB Barnett Kinnings PLC

#### FINANCIAL DIRECTOR (DESIGNATE)

London

Central London

We are a high quality security and commercial printing company seiling to both Uk and overseas markets.

The company is an autonomous subsidiary of a UK based plc.

Due to internal promotion the company requires a capable qualified accountant to become a Financial Director - a key member of the management team.

Reporting to the M.D. responsibilities will include overall control of the finance and costing functions and supervision of monthly management and statutory accounts produced to tight deadlines.

Qualified accountants should possess a successful track record in a manufacturing environment which should include development of computer based management information systems.

Working closely with the M.D. strong interpersonal skills should be backed by the maturity and commercial awareness necessary to make an early contribution to this expanding operation.

Please send C.V., marked 'Private & Confidential' to: Miss Veronica Wilson





**GROUP PLANNING - SYSTEMS** MANAGER

Search and Selection Specialists

London SW1 Our client is a privately owned British Group with Ideally you will be a qualified accountant with two

## **Central London**

AV BACK MARK IN THE

Austin Knight is a privately owned British

orientated company committed to further

million worldwide. We are a dynamic, plofit

As Group Financial Controller, you will be

formulating group reporting packages for this

international network, preparing reports and annual consolidation of accounts, and carrying

reporting directly to the Finance Director. You

will be expected to become fully involved with

You should be a fully qualified Chartered

Accountant, in your mid to late twenties, with a strong commercial outlook gained from your

and make a significant contribution to the running

This is a key role within the accounts function,

out periodic financial and operational audits

within the UK and overse

of the organisation.

VI

Our client is a rapidly growing multinational plc with a turnover in excess of \$600m. The areas of operational activity include leisure, textiles, agriculture and electronics.

The continuation of the growth and development experienced over the last five years has generated the need for expanded group planning and budgeting systems and reporting. The organisation is seeking to recruit an individual to manage the development and implementation of these enhancements.

The successful candidate will be a young qualified Accountant with good commercial experience of operational planning and a working knowledge of System W or similar software.

## **Excellent Salary Package negotiable**

Career opportunities for the Group Planning - Systems Manager will include openings into either Senior Line Finance responsibilities or the Systems area.

The position, based in Central London, will attract a substantial salary package (dependent on experience), a company car and other benefits.

Interested individuals should contact Karen Wilson, BA, ACMA on 01-491 3431 (or 0895 633 429 during evenings/ weekends), or write to her at FMS, 14 Cork Street, London W1X 1PF enclosing a recent CV and note of current salary.

diversified European interests, centred in Portugal. The Group now has substantial investment plans for the development of its activities in the UK Hotel/ Leisure industry.

The Financial Controller will play a key role in the evaluation of potential projects and the financial control of the UK operations. In addition you will have responsibility for Group Holding company accounts, cash management, budgeting and forecasting.

years' post qualification experience, gained within a commercial environment. Computer literacy and consolidation experience are essential, and knowledge of the Hotel industry would be advantageous. meters are to see the

Interested candidates should write enclosing a comprehensive curriculum vitae and daytime telephone number to Ken Brotherston, at Michael Page Partnership, 39-41 Parker Street.

London WC2B 5LH, quoting ref. B102.

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**Michael Page Partnership** International Recruitment Consultants London Bristol Windsor StAlbans Leatherhead Birmingham Nottingha Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Financial Management **CHIEF ACCOUNTANT Group Financial** W.1. Eneg + benefits CHANCERY BANK the merchant banking division of Chancery PLC, has a newly Controller created, challenging and rewarding role as a result of the significant organic growth of our Banking activities. Reporting to the Finance Director, you will be expected to work to tight deadlines in a eg + bonus fast moving environment. Working with both PC and Minis, you will be responsible for-End + Overseas Development and preparation of management accounts, Board Reports post-qualification experience and the ability to and Bank of England returns. Advertising Group with a turnover of some £100 · Preparation of statutory accounts, VAT understand and use computerised systems. Most importantly, you will have a keen desire to move and other tax returns and computations. into a fast moving, successful business where your innovation, communication skills and decisiveness Maintenance of nominal ledgers and hire expansion with agencies throughout the UK, Europe, North America, Canada and Australia, purchase/leasing accounting. will be tested to the full.

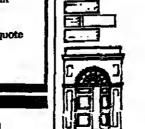
The salary is negotiable and we offer a comprehensive benefits package as would be expected of an expanding international organisation.

Please write enclosing full C.V. and details of current salary to Bob Gurning, Austin Knight Selection, 17, St. Helen's Place, London EC3A 6AS, or 'phone him on 01-588 6452 (01-256 6925 evenings/weekends). Please quote Ref: 163/JRG/88.

Austin

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Selectio



Rewards include n/c pension, permanent health insurance, WPA and share options.

You must be ACA or ACCA qualified and ideally have several years banking or financial service experience.

Please send your full cv, indicating present earnings, to: Ms [] Standfield,

Group Resources Executive

CHANCERY PLC 14 Fitzhardinge Street, Manchester Square, London W1H 9PL

Jel indita



## Tel: 01-626 0666



106 Baker St

London WIM 1A 1tt 01-935 1493

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#### CAREER OPPORTUNITY FOR RECENTLY QUALIFIED -SECURITIES INDUSTRY CITY TO £24,000+BONUS

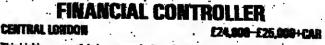
Accountancy Personnel

Placing Accountants First

need successful expansion of this leading international Securities impany (offices in the UK, USA and Japan) has created an outstanding orbinity for a young, embidous qualified Accountant.

As Financial Accountant, you will assume full responsibility for Balance Sheet Management and Financial Reporting with involvement in special projects and staff development, in addition to providing detailed exposure to the Securities industry, this is an opportunity to develop your management skills within a fast

moving City environment. Applications are invited from recently qualified ACA's, perticularly these with an interest in developing a Researcy function. Hands on knowledge of ISM/SYMPHONY will be an edvantage. The companisation package will include a companisation package will include a



## metics company has an exciting This highly succes

You should be ACAACCA/FCMA qualified with around 2 years p eccentarics, self-motivated, personable and computer-literate.

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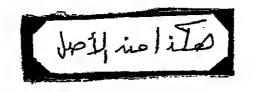
## **COMMERCIAL CHALLENGE** SUSSEX

#### cE22,000+FX Car+RELOC

The impressive performance of this wholly owned subsidiary of a Multi National Pic, has supported it's growth by the utilization of applicitiosted manufacturing technics.

ordingly, it has become a recognised market leader in the compatitive field of islon engineering, and can now offer a young recently qualified accountant a line commercial opportunity within its finance function.

So if your expension includes sound man-management skills and a flair for costing systems development and you have some experience of investigative projects, please ring, or write in confidence to the address shown.



APPOINTMENTS

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Appears every Wednesday

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+relocation

South Cambs

VII

**FINANCIAL TIMES THURSDAY JULY 28 1988** 

# **Group Accountant**

West Midlands

to £35,000 and car

Our clients are a leading international player in a 'high tech' industry which is central to the communications revolution projected through the rest of this century. The group is ambitious for growth so that significant opportunities will arise for personal career development. The role involves responsibility, supported by a small experienced team, for the production of consolidated management and statutory accounts using State of the Art' technology. Applicants will need to show strong technical skills either deployed at divisional or corporate level of a substantial company or through experience at managerial level in a major professional firm. Since this is an 'entry' opportunity however our clients will also be looking for the commercial outlook and good communication skills which will show a potential to take on a wider role in due course. An accepted accounting qualification is essential but age is not a factor. Ref. 1665/FT. Write or telephone for an application form or send full details (with a day time telephone number and current salary) to R.A. Phillips ACIS, FCII, 2-5 Old Bond Street, London WIX 3TB. Telephone number 01-493 0156 (24 hours).

Phillips & Carpenter-Selection Consultants

## FINANCIAL CONTROLLER

#### Watford area

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### c£27K · Bonus - Executive Car

Our client is the biggest operator in their specialist service sector and due to their continuing growth they are now seeking to appoint a Financial Controller who is ready to Take the next step in their career.

This new position has been created to strengthen the Senior Management team and to relieve the day to day responsibilities of the Financial Director, to whom you will report. You will have a staff of 30 and together you will be esponsible for budgetary controls, financial and management accounts plus liaising with all external elated bodies.

Aged between 28 and 40 you will be a qualified accountant, preferably chartered or certified, and will have at least 5 years' experience in a commercial environment

You should demonstrate a hands-on approach to the job but have the development potential to grow within this fast. moving organisation. Your well developed inter-personal and communication skills, together with man management ability will make you the ideal candidate for this position.

All interviews will be held with the client company but in the first instance please telephone Victoria Phillpot on

01-603 8137





We are acting on behalf of a leading and progressive firm of Solicitons based in the North West dedicated to the further expansion and development of its profession ent of its professional

services to clients. The Practice is currently seeking to recruit a Partnership Secretary to be responsible to the Executive Committee for the management and direction of its financial and

administrative services. It is essential that candidates, who will be Chartered Accountants aged 28-35, bring to the position considerable experience of working within a professional environment at least to Manager level and desirable that they understand the operations of a

Legal Practice. The nature of the appointment is such that personal characteristics will prove critical to success and the appointee must be able to blend assertiveness with tact and to temper

to success and the appointce must be able to blend assertiveness with tact and to temper energy and initiative with patience. The Partnership views this position as key to its future development and expects that prospects for significant personal and career development will open up accordingly. Interested applicants should send a full curriculum vitae including details of current remuneration package to Paul Balley, Senior Consultant, Spicers Consulting Group, 12 Booth Street, Manchester M60 2ED.

SPICER & OPPENHEIM A MEMBER OF SPICER & OPPENHEM INTERNATIONAL

## **Financial Accountant**

A marvellous opportunity exists for an ambitious, newly/recently qualified ACA aged 24-30, to join an innovative Organisation. Working alongside a highly-motivated management team, you will require determination and confidence to effectively initiate change. Reporting to the Finance Director, your responsibilities will include the following:

c£22,000+car Monthly consolidations, quarterly and annual results, reporting to the US parent.

Control of UK subsidiary and main company accounts
 Budgets (UK consolidation); 6-monthly rolling forecasts; annual 3 years plans.

 Group accounting systems
 Treasury and taxation matters, liaising with auditors at strategy formulation

Part of a US Corporation, this expanding Organisation operated from two UK divisions, manufacturing and selling its products directly to the pharmaceutical industry. The Company is about to embark on a new product launch and is forecasting 35% growth/annum over the next four years.

This is an exceptional opportunity to broaden your commercial and accounting expertise whilst making an important, positive contribution to a developing organisation. In return, realistic promotion prospects are envisaged within two years.

If you feel you match the requirements, please contact the Company's Adviser Neil Jury at the address below. Ref: CM6

MANAGEMENT PERSONNEL, Freepost, Eclipse Court, Half Moon Yard 14b Chequer Street, ST. ALBANS, Herts AL1 3BR

Telephone (0727) 35116 (out of hours 0487 841804) Management Personnel





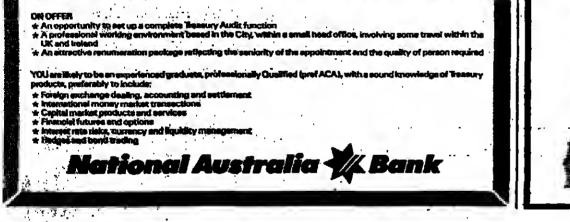
## detailiant, the Northan Bank in the UK and the National Irish Bank. To meet the rapid-ary, SAB seeks a chromic surgering of the National Irish Bank. To meet the rapid-

Five years ago, this dynamic pharmaceuticals group burst onto the scene, researching, developing, manufacturing and marketing a wide range of leadingedge pharmaceutical, diagnostic and biomedical products worldwide. The company now boasts net

c.£33,000 + Car

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of their most prestigious subsidiary, you will work as a key member of a close-knit senior management team, reporting to the Managing Director. A broad range of responsibilities will include project costing, financial analysis and planning and MIS development.



## assets in excess of \$80 million.

Sustained growth has in no way dimmed their aggressive stance and ambition. Aiming to increase their turnover no less than twenty fold within the medium term, they are now seeking to appoint an ambitious qualified accountant with the insight to guide them through this exciting phase of development and beyond.

Responsible for all aspects of the financial management



Berkshire

Probably aged 27-40, you should possess broadlybased financial and management accounting experience, gained in a commercial pharmaceuticals or advanced technology R & D environment.

An outstanding remuneration package comprises a highly competitive salary, company car and private health insurance. Excellent opportunities exist for career development within the Group as a whole.

Please write, enclosing full CV, quoting Ref. A170, to Ian R. Hetherington or Simon Hewitt at

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**FINANCE MANAGER** 

Add the commercial edge to tomorrow's pharmaceuticals

Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Manseil Street, London El 8AN. Telephone: 01-488 4114.

#### MANAGER ACCOUNTING AND ADMINISTRATION Pounds 20,000 + Car + Benefits

Our Sign a TLK, branch of an Italian Subsidiary based in Buckinghamshire, now has a requirement for an experiment Accounting and Administration Manager.

The Italian Head Office ar market leaders in manufacturing and supplying of chemical products and equipment the chemical industries. They have offices in most Burghtan countries and in the U.S.A.

They now wish to add a qualified professional to the U.K. shil floant in both English and Italian.

ific areas of responsibilities will include the production of the management accounts, budgets, forecasts, data proceeding financial controls and staff management.

Applicants should have sound organizational skills and an continuation for real business issues.

Please apply in writing, enclosing full C.V. tos-Please apply in writing, enclosing full C.V. tos-Vincent Consultants Limited, St. Alphage House, 18th Floor, 2 Fore Street, LONDON ECTY SDA

## Corporate Finance Executive/ **Director Designate**

Set Country Corporate Finance House seeks qual-ed Chartered Accountant/Solicitor, or candidate with equivalent experience within a merchant bank or stockbroking house.

Rechnical support is available, but the successful applicant will be required to operate independently, hiating and closing transactions. The remuneration package includes options' profit participation in substantially backed company, run by a highly motivated and professional management team.

Apply in the stillest of confidence to Sim No. 2013 Finencial Times, 20 Cannon St. London EC4F 457.

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## **DIVISIONAL FINANCE DIRECTOR - BATH**

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We are a world-class manufacturer of Process Control equipment with a strong international flavour in what has got to be one of the best industrial locations anywhere.

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The Bricom Group

Please write giving full details of age, qualifications, experience, salary, personal circumstances etc. to:-MS JLI, Brook, Remuneration & Benefits Manager, The Bricom Group, Milton Heath House, Westcott Road, Dorking, Surrey RH4 3NB.



## **Two Key Posts for ACA's**

The Securities and Investments Board (SIB) seeks to appoint two qualified accountants to join its Regulation Division. This division is responsible for regularing investment businesses authorised by the Board.

## Assistant Director-Compliance

Working within an established, professional, multi-disciplined department, the successful applicant will be responsible for regulating a wide variety of investment. businesses, helping to supervise SIB's compliance officers and reviewing work performed by them. The role will also include among other duties liaising with senior. compliance officials in the SRO's and other regulatory authorities. You will be a qualified accountant with at least 3 years post qualification experience and will be currently working either as an audit manager within a major accountancy firm or within the Financial Services Industry.

## **Compliance Officer**

The successful applicant will be responsible for investigating a wide variety of investment businesses throughout the United Kingdom. In addition he or she will be required to help firms in implementing their compliance programmes. As a qualified accountant you will be working within a major accountancy firm and will probably have a knowledge of the Financial Services Industry.

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Interested applicants should write to Penny Bramah at, Michael Page City, 39-41 Parker Street, London WC2B 5LH.



VIII

# Hoggett Bowers Executive Search and Selection Consultants

## **Financial Director Designate**

## Northern Home Counties,

c £28,000, Car, Bonus, Benefits

A £15m turnover division of a mejor plc providing contract services in the public sector, seeks a highly motivated person to control its financial systems. The appointee will be responsible to the Divisional Managing Director for all financial and management accounting functions and will be expected to provide profit performance guidance to other senior colleagues. Candidates, aged 35-45, should be chartered accountants with drive, enthusiasm and determination, able to develop the computer based accounting department to meet demands created by e significant expansion program. Experience with eccounting requirement for contracts would be an advantage. There is e generous relocation package.

generous relocation package. R.A. Flude, Hoggett Bowers plc, St. James's Court, 30 Brown Street, MANCHESTER, M2 2JF, 061-832 3500. Raf: M15045/FT

## Management Accountant

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c £28,000 Package, Relocation This is an opportunity for an accountant with e number of years post-qualification experiance to make e major contribution to the long term direction and success of this leading supply company. There are 400 employees based at a number of locations and future plans for capital investment are significant. This senior role will be responsible for supplying key financial management information, corporate planning, annual budgeting and pricing. Other tasks will include the upgrading of the current computerised management information systems and conducting various organisational and production investigations as necessary. Regular contact with department heeds throughout the organisation will be e normal feature of this position as the company wish to raise the level of financial ewareness and control in all areas. Applicants will be qualified accountants with commercial acumen and strong technical ability and have experience of modern financial planning and control techniques. Interpersonal and communication skills are important as is the ability to influence change and operate effectively within e team.

operate effectively within a team. K. Carroll, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852. Ref: H25012/FT.

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M. Stein, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, WIR 9WB, 01-734 6852. Ref: H17047/FT.

These positions are open to male or female candidates. Please telephone for e Personal History Form to the relevant office, quoting the appropriate reference.



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The role will offer a substantial challenge to a qualified Financial Controller/Director with a computer industry background. Working closely with the Managing Director, the successful candidate will develop the financial discipline and support services required for achieving the full potential of this important acquisition.

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Please write in the first instance with full career details to Chris Plowman, ref. CP/B/L.

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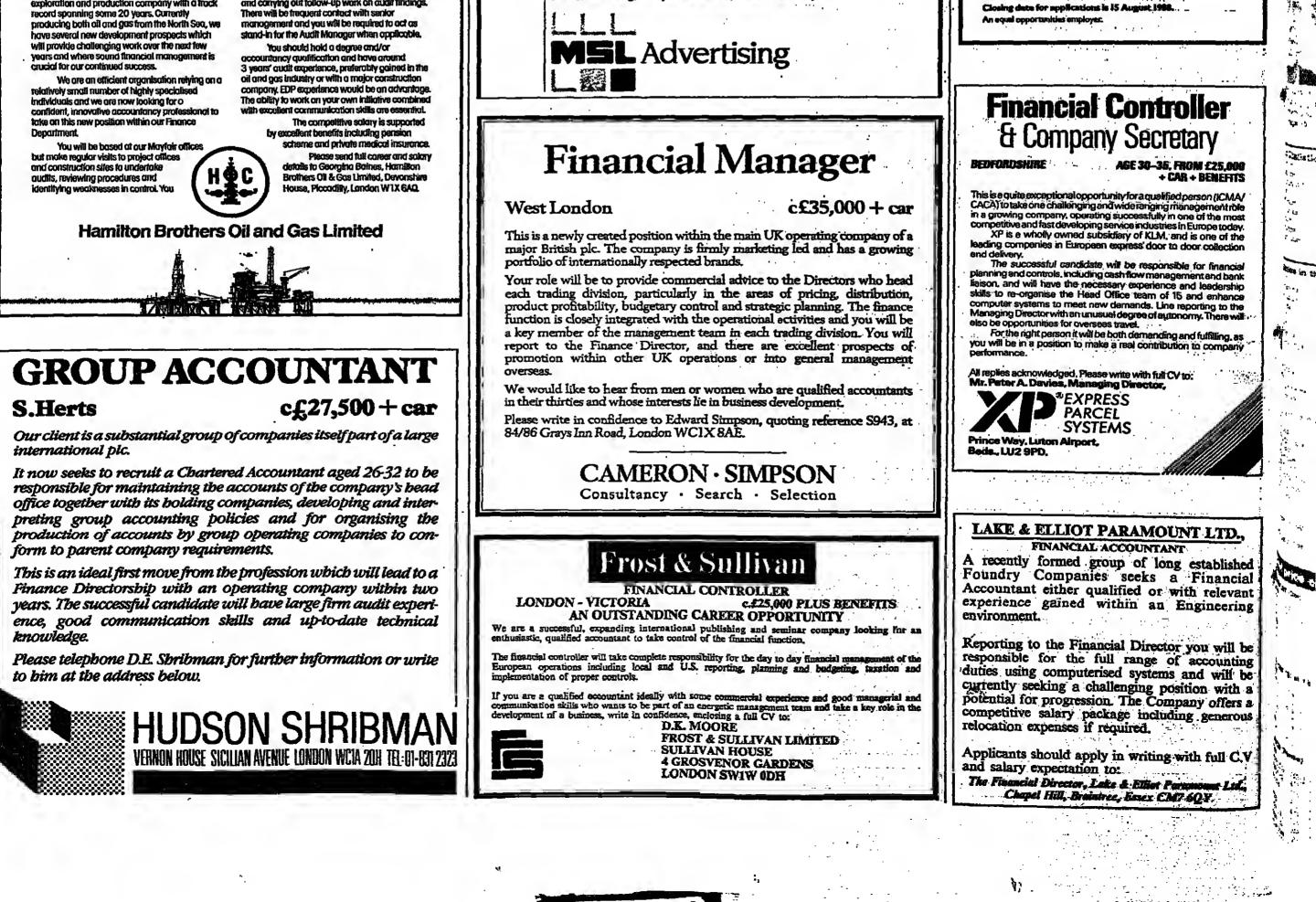
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## **FINANCIAL TIMES COMPANIES & MARKETS** Thursday July 28 1988



## Midland Bank thrives despite LDC debt



Midland Bank, third largest Brit-ish clearing bank, has announced first-half pre-tax profits of £313m (\$532m). Despite being hailed as the best result in sev-eral years, some fears remain over the bank's continu-

ing burden of LDC debt. The bank's investment arm, Montagu Midland, posted a spectacular increase in the earnings of £63m compared with £2m. Page 20

#### Japanese drinkers go Dry

Japan's thirst for Asahi Breweries' new Dry Beer appears to be insatiable. Demand for the wonder brew outstrips production to such an extent that Asahi has forbidden its employees from buying it. But success doesn't necessarily lie in the brew's taste. Stefan Wagstyl reports on the rocketing success of Asahi's amibitious marketing strategy. Page 19

Scottish ewes raise a flock of interesting issues



A precious group of three Scottish ewes bred to produce human proteins heralds the advent of "transgenic" animale. This transfer of genes from other species has major implications for pharmaceuticals, farming and medical research but also raises important questions of animal well-being. Clive Cookson examines the rapidly evolving landscape of genetic engi-neering of mammals. Page 19

#### Zambia's riches keep foreign investors down on the farm

Rich in unused land, water and labour resources, Zambia has emerged as a favourite stamping ground for foreign companies eager to establish large, irrigated commercial farm projects, its popularity defies the poor track record of grandices agricultural schemes in Africa – so often the victim of unpredictable weather and equally unpredictable governments. Page 24

#### Changing chemistry at BASF The flagship of BASF, the



## give medicine men an ulcer James Buchan in New York looks at the problems facing SmithKline Beckman 7 hen Mr James Cavan-

When Mr James Cavan-augh, the high-flying head of SmithKline Beckman's \$1.5bn US drugs busi-ness, quit the company on Tues-day, there was little surprise on Wall Streat Wall Street.

In the six weeks since the ven-erable Philadelphia company said the market for its plear drug was collapsing, angry analysts and investors have been baying for

Enough to

investors have been baying for managerial blood. "It's not just Jim Cavanaugh. No one person should be held fully responsible for problems affecting the key drug supporting a majority of the company's earn-ings," said Mr Neil Sweig, an ana-lyst at Prudential-Bache, US financial services group. For Mr Henry Wendt, the ele-gant and patrician chairman of SmithKine, the management

\$5.7bn in the market, but it could be taken over, analysts say. "It could be bought and broken up," says Mr Sweig. The crisis at SmithKline is the climax of one of the most fero-cious marketing battles in recent US business history. Tagamet, which owned a monopoly of the market for treating ulcers in the US for a heady sown wear from gant and patrician chairman of SmithKline, the management challenge over the next few months is appalling. SmithKline, which was transformed by its Tagamet wonder drug from a genteel Philadelphia druggist into a \$4.3bn-sales monsy machine, has watched in horror as the sales of Tagamet have fallen steadily since April. Tagamet sales may now be running as much as 30 per cent (at constant exchange rates) below the \$1bn-a-year level of 1987. Wholesalers grossly over-or-dered the drug and it could be three months before these distri-bution channels are clear. Meanwhile, the company'e No.

off doctor's prescription lists by newer products. Zantac, which is made by Glazo of the UK, has overtaken Tagamet and stolen its mantle as the world's best-selling drug. Merck's Pepcid and Kil Lilly's Axid have chipped away from the bottom, leaving Tagamet with a share which is probably under 40 per cent. per cant. SmithKline has a "detail force" to promote the drug to physi-cians and hospitals of 1,100 speci-alised and highly-paid salesmen. A further 400 sales people from DuPont are pushing Taganet.

Meanwhile, the company'e No. 2 drug, a diuretic called Dyazide, is being crippled by generic com-petition and its US sales are down 60 per cent worldwide from last year's \$365m, according to

By Anatole Kaletsky in New York

FORD Motor, the second-biggest US car manufacturer, made record profits from its world

Arrayed against them are no fewer than 5,000 salesmen from Glazo and Hoffmann-La Roche, jointly promoting Zantac under a

Ford scores record \$1.6bn

despite fall in US market

Wall Street estimates. Mr Wendt must hold the slide

in these drugs while reaching into the company's \$423m-a-year research effort to find new com-pounds to replace them. And he must restore Wall Street's confi-

dence.

dence. If he fails, he could lose the company. SmithKlins's market value has tumbled nearly 20 per cent since Mr Wendt let out word of Tagamet's problems on June 16. The company is still worth \$5.7bm in the market, but it could be taken over another one of the

US for a heady seven years from 1976-83, has been slowly driven off doctor's prescription lists by

SmithKline Beckman **Quarterly Net** Earnings (Sm) 100 -80 -1987 1986 highly successful agree ment and

teams from Merck and Lilly, two of the strongest and most experi-enced drug companies in the US. "There is nothing to choose between these drugs. It is a sheet, brute-force marketing con-frontation," says Mr Sweig. "And SmithKline is being out-gunned." Wall Street also complains that

SmithEline could have done more to emploit Tagamet's aston-ishing windfall. Cimetidine, the saming windrail. Comerciane, the generic name for the drug discov-ered by Dr James Black at Smith-Kline in the UK, blocks the hista-mines: which trigger the production of acid in the stomach and allows nicers to heal, some-times in weeks.

Before the pale green pill arrived, the an or so Americans being treated for ulcars were pre-scribed only medicines to line the mach and stop pain - or sur-

gery. From its lannch in 1976, Taga-net's growth was extraordinary. Sales in 1978 were \$280m and \$450m in 1979. By the time Zantac was lannched in the US market in July 1983, Tagamet's sales were approaching a billion dol-lars and it was providing half SmithKline's profits.

Mr Wendt, president of the company since 1976 and chair-man since 1987, followed a text-book strategy with Tagamet's cash flows. He attempted to

diversity, by ploughing \$1bn into buying the Beckman medical instruments business in 1981. He neuronal point of the leading US network of clinical testing labora-

tories. But the company kept running into bad luck. Beckman instru-ments' market suddenly caved in when federal spending cuts hit hospital budgets in 1983, while S mith Kline's best over-the-counter product, Contac cold remedy, had to be pulled off shelves because of a tampering shelves because of a tampering scare. Promising products from research and development (R&D) had to be dropped because of potential side-effects.

for Tagamet and Mr Wendt has promised a wholesale reorganisa-tion of the drugs business. But there are doubts on Wall Street and in the industry that Taga-met's sales can be stabilised at anywhere near the old \$1bn level. "It's kind of a stale drug," says Dr Cooper of Cornell University. "I have no confidence at all that the company knows what the "I nave no commence at all that the company knows what the ontiook is for Tagamet," says Ms Constance Manesty, an analyst at S.G. Warburg in New York. Meanwhile, successor drugs in Réd are not expected to reach the market until 1991 – and "á. These problams distracted Smithkline just at the time the Zantac assault was gaining strength And Zantac had one strength. And Zantac had one key marketing advantage. "There really is no major difference in the efficacy of these drugs," says Dr Robert Cooper, assistant pro-fessor of medicine at New York Rospital, the Cornell University medical school. "But back then, the difference was in potence." bt can go wrong between now and then." Ms Maneaty says. Much of the research work is concentrated in cardiovascular concentrated in cardiovascular products, an area where govern-ment approvals tend to be slow and where powerful companies such as Merck are well repre-sented. "I see nothing unique in SmithKline's product pipeline and cardiovascular is, or will be, a crowded field," she says. the difference was in potency. Zantac could be taken only twice a day, while the SmithKine drug a day, while the Smithing and was orginally four threes a day. Also when a new drug comes co, it's tried because it's new. If the Smithkline people made an error,

## **Commerzbank slips**

#### By Andrew Fisher in Stutigart

COMMERZBANK, West Germany's third-largest commer-cial bank, saw partial operating profits fall at group level by 5.6 per cent to DMS19m (\$279m) in the first six months of 1988. But full operating profits, for which no figure was given, chown on 8 per cent increase

cent to DM447m as securities business picked up at a slow rate after last October's stock market crash

While interest income was 6.6 per cent higher at DML2bn, com-mission income was down 4.4 per

But total operating profits for the parent showed an 18 per cent increase due to higher earnings on own account securities and foreign exchange trading. Commerciank is the second of West Germany's hig three com-mercial banks to report its inform forward this wash follow.

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it was not to come up with a new

ass of drug." SmithKline has launched a

television advertising campaign for Tagamet and Mr Wendt has

Market Share

the COB

THE FRENCH government yesterday named a new head to the Commiscion des Operations de Bourse (COB), tine stock market regulatory authorite

the stock market regulatory anthority. Mr Jean Farge, minister for social security between 1979 and 1961 in the government of Mr Baymond Berre, will take over the chairmanship of the COB for a four year term. He

succeeds hir Yves Le Ports. Viewed as a rigorous admin-istratur. Mr Farge takes over a watchdog which has been much criticised for its lack of

bite. The COB has greatly expan-ded its investigative staff, and saw its powers extended by last year's financial services legislation, but is still ill-equipped in comparison with its US counterpart, the Securi-ties and Exchange Commis-sion.

With no direct punitive pow-ers of its own, the COB has frequently been overtained by the law courts in its efforts to clamp down on insider trad-

ing. The stock exchange authori-ties, too, have often been reluctant to act on the COB's recommendations, refusing last year to impose sanctions on stockhrokens criticised by

the COB. The stock exchange itself

yesterday announced new cap-ital requirements for broking

firms, Every broker will be required to have minimum capital of FFr 20m (33.2m) by the end of this year, rising to FFr 25m a year later. Provincial brokers will only be required to have FFr 2m this year, rising 'to FFr 3m a year later. The exchange is also work-ing on projential ratios, expected to be published this autumn, relating brokers' cap-ital to their activity and degree of risk. The issue of hrokers' repital has become an urgent priority

has become an urgent priority for the stock exchange, after the revelation that it had not only lost FFr 614m of its own reserve funds in imprudent trading but had also had to make KT 700m of provisions to cover losses at member firms, most of which have con-



despite a big decline in carnings from the US market. The company's results con-firmed the enduring strength of the world demand for cars, as well as underlining Ford's con-tinuing sizes in market share products. But this central-ised nature of the comchairman Hans Albers (left), the chemistry of particularly in the US.

the slumbering giant is changing as new products, markets and even acquisitions are probed. Page 15

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pany has left it with a staid, unexciting image compared with its other German rivals. Now,

**Market Statistics** 

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By David Marsh in Bonn HEIDELBERGER Druckmaschin-HEIDELBERGER Druckmaschin-en, the leading West German printing machinery company, has agreed to buy Web Press Group of the US for \$300m, its first for-eign manufacturing operation. The deal was signed yesterday in New York with Web Press's arent company, AM Interna-

130 120 118

545 + 45

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886 + 21 480 + 7

Beidelberger Druck, the world's largest manufacturer of printing presses, has gained a strong reputation for its comput-

worked in the company's favour. Ford's factory sales in Germany increased 8 per cent to 264,348 units, while volumes in Britain tinuing gains in market share, rose 5 per cent to 144,747 units. In Canada, Ford's third-largest for-eign market, sales fell 6 per cent Ford's net profit of \$1.66bn or \$3.43 a share was 11 per cent ahead of the \$1.5bn or \$2.90 to 101,045 units.

reported a year ago. Its world sales were \$22.4bn, 15 per cent up on the year before. In volume terms, the growth was slower, In the US, Ford's net income fell 20 per cent to \$903m, largely because of the cost of sales incentives, which reflected the tough . competitive conditions in the car . with factory unit sales increasing by 6 per cent to 1.79m units.

Ford's carnings from its inter-national operations jumped 46 per cent to a record 550m. Ford said the largest gains came from of the US car and truck market by a total 7 per cent compared with the second quarter of 1987. In the latest quarter it held 22 per Europe, where improved margins, strong industry volumes and currency fluctuations all cent of the car market and 29 per cent of the truck market. Its unit sales of cars increased 12 per cent to \$72,636 while truck sales advanced by 7 per cent to 407,416 units.

market. Ford increased its share

Ford's financial services group, including First Nationwide, the retail banking unit, contributed 45 cents a share to the latest results, slightly below the profits earned last year. Most of the decline came from Ford Credit, reflecting lower interest margins and higher credit losses.

showed an 8 per cent increase. These include trading on the bank's own account. The compar-ison in both cases is with half of the full year's result in 1967.

At the parent company, the partial operating profit was down 42 per cent to DM327m after a interim figures this week, follow-ing Dresdner which also announced a fall in partial operrise in staff and other costs of some 5 per cent. However, com-pared with the first half of 1967 rather than half of the 1987 ating profits. Dresdner's total operating profresult, it was 5.9 per cent higher. 'its were also down.

tinued trading despite their deficits. Banks which have bought stakes in brokers were dis-gruntled at being asked both to guarantee their subsidiaries

and to contribute to a FFr 1.2bn reinforcement of the exchange'e funds.

## Heidelberger Druck to buy Web Press group of US for \$300m

erised production machinery. It outbid an offer of \$250m made for Web Press by Komorb Printing Machinery of Japan. The West German company said yes-terday that the deal was now

regarded as definite. The purchase is expected to take effect in the next two to three months after completion of legal and regulatory procedures ted to in the US. If gives Heidelberger the co Druck, which is majority owned over o by the giant West German utility year.

Rheinisch-Westfälisches Elektri-

Rheinisch-Westfälisches Elektri-sitätswerk, three US production facilities, together with an assem-bly plant in Merico and a factory in Monistaire, France. The move is designed to build up Heidelberger Druck's exper-tise in web offset presses, adding to its central activities in the sheet-fed offset field. It is expeo-ted to add roughly 30 per cent to the company's consolidated turn-over of DM2.3bn (\$1.24bn) last year.

## California puts GA on hold

#### By Nick Bunker in Londor

THE CURSE of Rozani has struck again: this time, in the Highlands of Scotland. Last month, Ms Roxani Gillespie. the California Insurance

Commissioner, blocked the bos-tile bid by Britain's BAT Indus-tries, the diversified tobacco giant, for Farmers Group, the US motor insurer. Her latest poten-tial victim is General Accident, the Scottish-based insurance group

On June 27, GA said it was buying 51 per cent control of NZI Corporation of New Zealand. Few people knew that NZI had a small US subsidiary - the New Zealand Reinsurance Company of America - domiciled in San Francisco. The result is that GA now risks falling foul of the same obscure section of the state insurance code which stymied BAT.

Ms Gillespie vetoed BAT's bid after Farmers pointed out that BAT's shareholders included such entities as the Kuwait Investment Office, the London-Transport Pension Fund and Not-

tingham County Council. That contravened part of the state code, which says that no California insurance company can be owned by a foreign government

Ms Gillespie's officials are now poring over the shareholder list of any company seeking to con-trol more than 10 per cent of an insurer domiciled in the state. On GA's foot and a half thick share register, they discovered some local authority and state industry pension funds, and realised they might have to deny the applica-

The fuse has raised cycbrows in Scotland, since New Zealand Reinsurance Company of Amer-ica is tiny and actually operates from New Jersey. The rest of the NZI acquisition was completed two days ago after receiving regulatory consent everywhere else. Mr Ian Menzies, a GA director, says: "We have had to provide more information to California than to all the others put

together." The worst thing that could

happen is that GA could be pre-vented from voting the reinsurance company's shares, but, says Mr Menzles: "All we've been told" is that California won't give a decision until after the court ruling on BAT".

The serious point is that Ms Gillespie's ruling on BAT now makes every insurance company in California virtually immune from takeover by any sizeable publicly-held company - at least until the local courts or the state legislature clears up the question of what constitutes control by a foreign government. But Ms Gillespie could face an even more formidable adversary than GA or BAT: Mr Gianni Agnelli, the Italian magnete whose Agnelli group controls Fiat.

IFINT, an Agnelli group invest-ment vehicle, plans to buy 18 per cent of Fireman's Fund, another San Francisco-based insurer. Cal-ifornia insurance officials are now wondering what they might find if they have to scrutinise Flat's share register.

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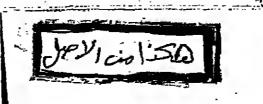
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## INTERNATIONAL COMPANIES AND FINANCE



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14

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27th July, 1988

## lifts USX By James Buchan in New York

Demand

for steel

products

USX, the hig steel and energy group, boosted second-quarter income by 29.1 per cent as a surge in profits from the steel business easily made up for aloggish oil and gas markets. The Pittsburgh company, which is the largest US steel producer and owns Marathon Oil, said that earnings for the June quarter were \$218m or 74 cents a share, up 29.1 per cent on a 7.5 per cent increase in sales to \$4.27bn.

tales to \$4.27bn. Powerful demand for steel products pushed earnings in this division to \$223m in the June quarter, from only \$66m in the second quarter of 1987 when USX was still suffering the after-effects of a strike. Sales doubled to \$1.58bn. Mr David Roderick, chair-

Mr David Roderick, chair-man, said: "These results indicate that we are finally hitting our stride in our steel operations. We anticipate a continued strong domestic market for the remainder of this year and continuing into 1989."

1989." In the energy business, oper-ating income fell from \$223m to \$104m on lower sales of \$2.43bn against \$2.79bn. Prof-its in the 1987 second quarter were favoured by \$78m in spe-cial accounting changes, with the result that Marathon's operating income was down operating income was down only \$19m quarter-on-quarter. "We foresee a continuation of substantial downstream profitability and improving matream earnings when order

upstream earnings when crude oil prices recover," Mr Roder-ick said.

Xerox shows steady growth By Our Financial Staff

**REVENUE** GROWTH of Xerox's financial services operations outstripped that of the company's business prod-ucts and systems in the second quarter

quarter. The US group, which is a leading producer of copying and duplicating equipment, posted net income of \$167m or \$1.59 a share for the period, on total revenues up 9 per cent to \$4.1bn. This was an increase of 8 per cent on last year's net income of \$154m or \$1.44. Xerox's financial services experienced growth across the board to lift revenues by 17

tions, said all parts of the Computer Systems and Services unit, including fts ETA Systems supercomputer company, were being looked at. per cent to \$1.2bn in the latest said, adding that the unit's third-quarter sales will be quarter. Business products and systems revenues increased 5 per cent to \$2.8hu

# Itel in \$1.2bn transport deal with Henley Group

## By Our New York Staff

HENLEY GROUP, the deal-oriented conglomerate cre-ated two years ago as a spin-off from Allied Signal, yesterday unveiled a complicated \$1.2tm transaction involving its large interests in the US transports-tion buckness, which include a tion business, which include a 17 per cent stake in Santa Fe Southern Pacific, the nation's

second higgest railroad. Henley is selling Signal Capi-tal, a finance company heavily involved in the ralicar leastne business, together with its stake in Santa Fe and Ameri-can President Companies, a big rail and sea transport and dis

By Janet Bush in New York

earnings included a benefit of \$43m or 18 cents a share from the sale of an interest in a

On the New York Stock Exchange, Du Pont's share

North Sea oil property.

By Our Financial Staff

CONTROL DATA of the US is considering making cuts within the next month in its

when the next month in its computer group that may include layoffs, plant closures or spending freezes, said Mr Greg Schmidtlein, vice-presi-dent.

Last week, the group said it would shut five plants and lay off 2,500 workers for one week

before Labor Day in Septem-ber, "Similar things like that

that could happen elsewhere, or again." warned Mr Schmid-tlein. "It is not out of the ques-

tion to have some workforce reductions." Mr Schmidtlein, who heads Control Data's investor rela-

"There are no sacred cows," he

The buyer is Rel Corpora-tion, a Chicago based transpor-tation, dredging and distributribution business. tion company. However, Henley will not be giving up indirect control of the assets it is selling because of a substan-tial stock component in yester-

ley's chairman, will also join the Itel board, but there appears to be no question of Henley taking over Itel in the ្រុតស្រ

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long run. Yesterday's deal included a 10-year standstill sgreement which will limit the manner in which Henley's itel shares may be voted or sold, and restrict acquisition of any further

day's deal. Itel will pay Henley \$27m in cash. all of it borrowed. In addition it will provide Henley cash, ail of it borrowed. In addition it will provide Henley with 18.7m shares of itel stock. valued at around \$400m. This stock will give Henley a 40 per cent interest in Rel. Mr Michael Dingman, Hen-Mr Michael Dingman, Henstock.

## Du Pont earnings rise 27%

price was quoted % lower at

DU PONT, the major chemicals, oil and gas commidsession at \$85%. Mr Richard Heckert, Du Pont chairman, said he was encourpany, yesterday announced a 27 per cent rise in net income in its second quarter. Net income totalled \$539m or aged by a strong showing in the first six months of the year and added that he was looking forward to a good second half. He particularly noted strong \$2.67 a share in the three months ended June compared with \$504m or \$2.08 in the same period a year ago. Earnings per share in the first quarter of this year amounted to \$2.45. Du Pont's second-quarter sales and earnings from the company's agricultural and industrial chemicals, fibres,

polymer products, downstream petroleum and coal businesses. The agricultural and industrial chemicals business was year, r bolstered by strong worldwide increas sales and earnings growth for cent ri crop protection products and prices.

**Control Data warns of layoffs** 

Its second-quarter income

cents, up from 1 cent; on reve-nues of \$1.85bn, up from

-Control Data said the semi-

white pigments. Earnings for petroleum rafining, marketing and transporta-tion more than doubled due to improved railined product margins which relfected strong demand and relatively low gasallne inventories in the US.

Total company sales were \$3.5hn in the second quarter, up 9 per cent from \$7.8bn a year ago. Sales for the chemicals and

specialty products businesses increased 12 per cent over the year, reflecting a 6 per cent increase in volume and a 6 per cent rise increase in selling

below 1987's level. The layoffs could range from one week around Christmas to permanent layoffs, Mr Schmidt-tiein said. the fourth quarter from the third quarter. Mr Schmidtlein said reve-computer unit, the computer

systems and services group, will be 10 to 15 per cent below expectations. The unit aver-The company ... which announced improved second-quarter earnings, said it expec-ted a shortage of semiconducd about \$325m per quarter last year in revenues. He added that the ETA tors to put pressure on third-quarter sales of mainframe

Systems supercomputer unit was also performing below expectations. "We had hoped rose to \$9.2m, or 22 cents a expectations. We had hoped share from a loss of \$5.5m or 14 we would have a few more orders at this time than we have," he said. The cost of developing supercents in the same 1967 period; Revenues were \$951.7m. Cont-pared with \$785.9m. For the half-year net income stood at \$14.5m against \$800,000, or \$4

computers at ETA has also been above the planned level, Mr Schnittlein declared. Control Data has budgeted

\$50m a year to build the units, which-were introduced five control pats and the semi- which were introduced live conductor shortage, which is months ago, but Mr Schnid-hitting the entre industry, will tlein said "the cost to comple-cause shipments of its Cyber tion turned out a little higher "950 mainframe to be delayed to "than we expected."

**Rising costs** 

**NWA** income

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from \$2.7bn. Financial services net income in the quarter was \$80m, a rise of 12 per cent. Business products net income was \$87m, up 5 per cent from \$82m last time. For the half-year, group net income rose by 11 per cent to \$319m, lifting per share earn-ings to \$2.96 from \$2.69 on rev-enues 10 per cent ahead at

enues 10 per cent ahead at \$7.9bn.

**Better margins** benefit Chevron By Our Financial Staff STRONG PERFORMANCES from the refining, marketing and chemicals activities of

and chemicals activities of Chevron, the fourth largest US oil group, brought about a sharp rise in its second-quar-ter net earnings. They advanced to \$520m or \$1.52 a share from \$358m or \$1.04. MeT T. Boone Pickens, the well-known corporate raider. And during the second quar-ter of 1987 Newmont made a net gain of \$265m from sales of shares in subsidiaries to the public. This compares with a The company said sales mar-gins improved from last year's depressed levels, with those net gain of \$19.5m from dispositions of discontinued for petroleum products at their highest for two years. operations in the 1988 second

## **Special factors distort Newmont Mining returns**

By Kenneth Gooding, Mining Correspondent quarter, partly offset by an \$8.2m foreign currency transla-NEWMONT MINING, the US natural resources group in which Consolidated Gold Fields of the UK has a 49.7 per tion loss.

computers.

\$1.61bn. ·

Revenue for the second quar-ter increased from \$89.2m to \$112.9m. The company is maintaining

cent shareholding, saw its net profit in the second quarter fall sharply, from \$290.7m or \$4.63 a share to \$19.4m or 29 cents a The company is maintaining the quarterly dividend pay-ment at 15 cents a share. Newmont Gold, the subsid-iary responsible for the group's share. However, the figures are barely comparable because the group, which once was the best-capitalised US gold com-pany, went deeply into debt and sold off assets to fend off an unwelcome \$6bn takeover approach from a group led by Mr T. Boone Pickens, the well-known corporate raider gold mining operations in the US and Australia, had a virtually unchanged net profit in the second quarter of \$24.55m or 23 cents a share against \$24.15m or 23 cents.

The company's gold buillion sales in the quarter were 194,500 troy ounces at an aver-age price of \$454 an ounce compared with sales of 157,200 ounces at \$451 an ounce in the same period of 1987. Newmont Gold's revenue

In the last year Fireman's Fund has also repurchased 17m

of its own shares, representing more than 26 per cent of its equity. This has helped boost earnings per share to \$2.42 in the first half of 1988 against 49 cents hart or 1988 against 49

conts last year. The scale of the completed stock buybacks reflects the fact that Mr Jack Byrne, Fire-man's Fund's chairman, has

become the US insurance

at times when the market is

rose in the quarter from \$71m

## Fireman's Fund premium income dips

to \$88.3m.

discontinued

## By Nick Bunker

FIREMAN'S FUND, the big California-based non-life insurer, saw its premium income drop 15.4 per cent to \$747m in the second quarter of this year, indicating the sever-ity of the price-cutting in the \$195bn US property/casualty. insurance market. price reductions because they mostly affect insurance for commercial buyers. Commer-cial lines made up more than 75 per cent of the company's \$3.9 m 1987 turnover. June 30, Fireman's Fund's net insurance market. The company said the dip in income was up 24 per cent at \$115m, in spite of realised pre-The company said the dip in premiums was occurring because it was determined to maintain the quality of its business and was refusing to underwrite insurance risks at prices likely to produce big losses in years to come \$115m, in spike of realised pre-tax investment losses of \$12m. In the June quarter, net income was \$51m, compared with a net loss of \$116m in 1987, due mainly to a \$360m reserve-bolstering exercise propurted by concerns over losses in years to come. It is particularly exposed to the industry's current wave of prompted by concerns over claims arising from asbestosis and hazardous waste pollution.

#### NORTH AMERICAN QUARTERLY RESULTS

AMERADA MESS Independent oil compar	ay .		BETHLEHEN STEEL Steel products			HERSHEY FOODS Confectionery			SHELL OIL OH and gas		
Second guarter Revenues	1968 5 862.8m #23.5m #0.29 2.14bn 42.2m 0.51	1987 5 1.165m 89.4m 1.06 2.3%m 270.9m 3.21	Second giverter Revertes	1988 \$ 1.4bm 150.5ss 2.05 2.75bn 235.9m 3.32	1987 3 1,130n 46,8m 0,79 2,26bs 72,4m 1,17	Second quarter Revenues Net lacome Siz rontis Revenues Siz nontis Revenues Net lacome Net program	1968 \$ 553.6m 0.32 1,17bn 65.6m 0.73	1987 5 497.7m 27m 0.30 1.090m 59.9m 0.66	Second quarter Revenues Net Income Star months Revenues	1988 5 5.435m 263m . 10.55m 1.515m	1987 5 5.185m 266m 9.75c 374m
ANHEITSER-BUSCH Brewing		<u>-</u> .	EXISTENCI Gas transmission			PRIMERICA Financial services			SUN.CO		<u> </u>
Second quarter Revenues Net per share	1988 5 2.53in 211.5m 0.72 4.79bs 363.9m 1.23	1987 5 2.386m 181.8m 0.60 4.49tm 309.9m 1.02	Second quarter Revenues	1988 5 646.6m #2.8m #0.05 1.5ba 27.2m 0.47	1987 5 659m 12.7m \$0.05 1.41bm 16.1m 0.28	Second quarter Revenues Op net byster Six months Revenues Do net byster Op net byster	1988 5 1.08bn 45.1m 0.81 2.11 90.2m 1.59	1987 5 748.5m 47.5m 0.80 1.55 90.1m 1.49	Second quarter. Revenues Net Income Starmonths Revenues Net Income Net Income	1968 5 2.436n #201m #1.90 4.82 #1.41m #1.33	1987 5 2.4356 90m 0.82 4.69 1.255 1.17

By Our Financial Staff NWA, the holding company for Northwest Airlines, saw second-quarter year-on-year earn-ings fall as higher costs includ-ing landing fees and wages took their toll.

The company, which acquired Republic Airlines in 1966 reported net income of \$28.3m or 97 cents a share, down from \$50.6m or \$1.73 in the same period last year on revenues of \$1.38bn, against \$1.32bm NWA, however, suffered a

loss in the first quarter this year which resulted in the company recording a first-half deficit of \$15.14m, compared with a profit of \$15.65m last time, on revenues up to \$2.64bn from \$2.42bn. The per share loss came out at 52 cents. The airline said it was

expanding services and open-ing new routes.

entering a cyclical downturn. The biggest fall in premiums was in the underwriting of excess casualty policies, a type of coverage bought by commer-cial buyers seeking insurance against legal liabilities. "We are not walking away from our insureds, but we won't accept business at the wrong price." said Ms Carole Kelleher, a Fire-man's Fund official. man's Fund official. industry's best-known expo-nent of a strategy of trying to maintain stable or growing rates of return on equity by deliberately shrinking capital at times when the market is Premium volumes were also down because Fireman's has pulled out of Massachussetts entirely and has withdrawn

entering a cyclical downturn.

from private motor and household insurance in more than 10 other states.

## INTERNATIONAL COMPANIES AND FINANCE

## Strength and weakness of the BASF chemistry set

Peter Marsh looks at the West German company's increasing move away from commodity products towards speciality fields

characteristic company, and Albers ie in charge of one of the world's biggest sites for syn-thesising molecules, BASF's massive Ludwigshafen com-

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plex. The facility, which com-prises 1,600 separate plants and makes 12m tonnes of materials a year, is both a strength and a weakness for the 63-year-old Mr Albers, who has held the top job at BASF for five years. On one hand the site wo-On one hand the site pro-vides BASF with great flexibil-ity in producing chemicals for different applications. The Ludwigshafen complex, which stretches for nearly four miles along the Rhine half an hour's drive from Frankfurt, turns out 6,000 different products, most of which are used in small quantities in making an even wider range of goods from pharmaceuticals to plastic car

By George Graham in Paris

to FFr75m (\$12m).

**Bull computer group** 

reports double income

MALL MILDREN who The playing with chemis-ichemicals company. Mr Albers ie in charge of one of the world's biggest sites for syn-the discussion of the standard plastics and fibres areas where margins are higher and competition is less the playing with chemis-try sets would envy the away from a concentration on chemicals company. Mr Albers ie in charge of one of the world's biggest sites for syn-

higher and competition is less strong. Products in these "special-ity" fields; which Mr Albers says account for 65 per cent of BASE's output, up from half at the turn of the 1980s, include engineering plastics for the aerospace industry and new inks for grinting systems. The drawback to the Ludwig-shafen site, however, is that it

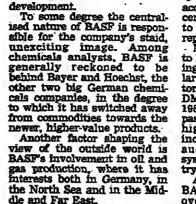
shafen site, however, is that it provides a high centralised focus to BASF which is out of tune with much of current thinking in the world's chemi-

cals industry. Many of the biggest compa-nies, including BASF, are trying as hard as they can to devolve management responsiblittles towards operating divi-sions and subsidiaries in the cause of making employees omponents. more responsive to changes in The Ludwigshafen chemistry the market place.



Hans Albers; aware of BASF's mage problem

Although BASF runs other big chemical plants, in and outside Germany, their output is dwarfed by that of the Lud-wigshafen complex. Ludwig-shafen also employs two fifths of BASF's 133,000 employees and is responsible for most of the company's research and the company's research and



These operations, which together with minerals produc-tion accounted for 14 per cent of BASF's turnover last year of bM40.2bn (\$22bn), have been hit by the fall in ofl prices and the high value of the D-Mark and have been a difficult area for BACE in meant means

nosted last year.

for BASF in recent years. Mr Albers says be is aware of the image problem, but insists the view outsiders have of his company is not always

accurate. "If a company has a certain image then people stick to it so easily. They keep repeating the same old story." - Mr Albers is especially keen to highlight the more fast-mov-ing matter of RASE in marting. ing parts of BASF, in particular the consumer products sector which last year had sales of DM8bn, up from DM5bn in 1983. Thie division encom-passes several innovative and

high-value product areas, including automotive paints, audio tapes and graphics systems for the printing industry. Another promising aspect to

BASF is the strength of its overseas selling operatione, particularly in the US, where it has expanded significantly in one part of BASF in the dol-

drume ie its agriculture operations, which include crop-protection chemicals and fartilisers. In both areas com-petition is very heavy and profit margins low or non-existent

Another area where Mr Albers admits to some disap-

pointment concerns BASF'e drugs division, which is, responsible for only 3 per cent of BASF's total sales - far helow the percentages for the comparable divisions of Bayer and Hoechst.

Bearing in mind the high growth prospects for the phar-maceutical sector and the high profits in this industry, Mr Albers admits to a tinge of regret that his own drug operations are not bigger.

He says he would not rule out an acquisition in this field, though concedes that moves in this direction are not particularly likely as a result of the high prices being asked for drug companies that come np for sale.

In keeping with the low-key traditions of his company, Mr Albers is cautious when it comes to predicting the immediate future for BASF. "Demand at the moment is very healthy. It's very difficult to speak of the next few years, although I can't see too many clouds in the sky."

## Agnelli holding company profits advance 3.8% By Alan Friedman in Milan

ISTITUTO FINANZIARIO Industriale (IFI), the Agnelli family holding company which controls a significant stake in Fiat and other industrial and financial concerns, yesterday reported a L80.8bn (\$66.2m) net profit for the year ended March \$1, up 8.8 per cent on the previ-

ous year. IFI has a direct 28.12 per cent another family company major-ity owned by IFL A final 1.52 per cent of Fiat is held by Toro, the insurance company major ity owned by IFIL. IFI also has a wide range of

other interests including publishers, cement companies and financial investments

its investments amounted to L3,500bn more than their book value of L894bn.

• Telettra, the Fiat telecommunications subsidiary, said yesterday it had won a L6bn contract to supply fibre optic transmission systems to UK's Mercury Communications.

#### UK BANKING

15

The Financial Times proposes to publish this survey OD.

#### 26th September

For a full editorial synopsis and advertisement details, please contact;

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FINANCIAL TIMES



#### US\$150,000,000 **Guaranteed Floating Rate Notes 1997**

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> **Manufacturers** Hanover Limited Issue Agent (a member of The Securities As

BULL, the French state-controlled computer group, doubled its net profits in the first six months of 1988 costs- rose 10 per cent to FFr798m.

ued growth in orders outside The company reported good results from the markets for

distributed data processing solutions, integrated networks, dedicated servers and workstations.

FFr930m at the end of June, up sales networks. . . . . .

## Pernod seeks Coca-Cola talks

ப்பார்கள் என்று அதிக்குக்கு பிருந்து நிறையான நான் குறுவர் நான் காண்டியான பிருந்து காண்டுக்கு பிருந்து காண்டு பதிருதல் காண் நான் தல்து தேத்தும் 1998 ஆர் ஆட்குத் பிருந்து காண்டும் பிரான்று காண்டு நிறுக்கு பிருந்து நான் கா பிருத்துகள் பிருத்துகள் பிருந்து தேத்துகள் பிருத்துக்கு குண்டுகள் திருத்து பரு பிருத்து காண்டு காண்டு பிருந்து

PERNOD-RICARD, the French calls for a comprehensive and drinks group, said yesterday it is seeking talks with Coca-Cola to solve their dispute over Pernod's distribution and produc-tion rights of the US based. group's drinks in France, Reu-

ter reports from Parls. Mr Patrick Ricard, Pernod chairman, said; "Pernod Ricard, od Ricard, "

New Issue

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A & Spanner

20 per cent from a year earlier. Research and development

FFr798m. Honeywell Bull Inc, the international computer group formed with Honeywell of the US and NEC of Japan in which Bull has a 42.5 per cent stake, reported sales of \$1bn, up 8 per cent from the first half of 1987. Bull last year saw a substanto FFT/5m (\$12m). With consolidated sales up 10 per cent to FFT6.6m, Bull benefited from a clear increase in domestic orders and contin-

Bull last year saw a substan-tial decline in earnings, with net profits dropping 17 per cent to FFr225m. The company has been obliged to restructure its industrial operations, with job Cash flow amounted to. cuts and realignments of its

quick negotiation that would

best protect the interests of staff and shareholders,"

A Paris appeal court on

April 13 reversed a commercial

court decision and ruled that

By David Marsh in Bonn

aerospace group.

## presses MBB clarification

**Daimler** chief

MR EDZARD REUTER, chairman of Daimler-Benz, the West German motor conglomerate, said yesterday he expec-ted "definita clarity" this autumn on the company's planned takeover of a 30 per cent stake in Messerschmitt-Bölkow-Blohm, the arms and

Speaking ahead of a crucial meeting in Bonn on Saturday, Mr Reuter reaffirmed that Daimler-Benz would only purchase its stake on the condition that the Government took over risks associated with MBB'a participation in the European Airbus venture.

Mr Reuter, in an interview with Stern, the West German megazine, linked his firm line over the Airbus to the danger that his company could become involved in a trade war with the US over arthner subsi-

He underlined Daimler's insistence that it should receive no subsidies from the Government in connection with Airbus.

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الدورية المركبي (د. وراد المركبية). مريد مسروري والمسترية مسروت المسو

By William Dullforce in Geneva NESTLE, the Swiss foods group, said yesterday it expec-ted to make a slightly higher consolidated net profit in 1988 than the SFr1.83hm (\$1.18bn) it

The relatively modest advance in terms of Swiss francs masked a 5 per cent tomi in Italy, would make a small contribution to earnings growth in sales volume. in spite of the non-recurrent

expenditures arising from their purchase, Nestlé said. With the inclusion of Rown-tree and Buitoni in the consoli-dated figures from July 1 year-

Swiss Life bids for La Suisse

Nestlé expects slightly

higher 1988 profits

#### By Our Financial Staff

The bid followed one day after a SFr10,000 by Saurer-Gruppe Holding, majority owned by Mr Tito Tettamanti, SWISS LIFE and Pensions, Switzerland'a largest life insurer, has entered the battle for general insurer La Suisse with a surprise agreed bid of SFr12,000 (\$4.530) per share. La Suisse, one of Switzerthe acquisitive Swiss financier. This in turn outbid an offer of SF17,200 per share made by Mr land's smaller insurers, said it Andre Grebler for the Swiss company, known locally as Schweizerische Lebensversiwas recommending sharehold-ers to accept the bid which values the company at SFr576m. cherungs und Rentenanstalt.

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end sales were expected to approach SFr40bn compared with last year's SFr35.2bn. Group sales at the six-month mark were SFr17.4bn, an increase of 1.7 per cent on the first half of 1987. The relatively modest Recent acquisitions, notably Rowntree in the UK and Bui-

Nestle's forecast of slightly higher earnings this year is predicated on their being no fundamental changes in the currency sector for the rest of the year.

in the second state

stake in Fiat, while the Agnel-lis control a further 9.7 per cent of Fiat through IFIL,

IFI said the market value of

28th July, 198

All these securities having been sold, this announcement appears as a matter of record only.

SOCIÉTÉ EUROPÉENNE POUR LE FINANCEMENT **DE MATÉRIEL FERROVIAIRE** 

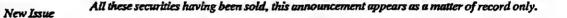
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## U.S.\$100,000,000

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## INTL. COMPANIES AND FINANCE

# BA still seeks stake in Air NZ

## By Terry Hall in Wellington

BRITISH AIRWAYS is still "very interested" in gaining at least a 25 per cent stake in Air New Zealand despite a profit setback at Wellington's state flag carrier, according to Sir Colin Marshall, BA's chief executive

Air NZ has just announced net profits of NZ\$70.4m (US\$47m) in its year to June, down from the previous year's record NZ\$178.9m.

Sir Colin, who is visiting New Zealand, said in an interview yesterday that BA's offer, to be made in the next two weeks, would reflect Air NZ's weeks, would reflect Air NZ's past performance and its pros-pects. "Considering everything that has been happening, Air New Zealand is probably at a low point right now," he said. Air NZ had not sold any of its fleet in the past year to take advantage of the bull market in second-hand planes, as it had done previously. BA would not seek to make changes in Air NZ. "We don't want to change a winning for-

want to change a winning for-mula," he added. Sir Colin said his company

would expect board representa-

tion at the 25 per cent to 30 per cent level. This question has arisen in New Zealand because of a refusal by Ranks Hovis McDougall of the UK to allow Goodman Fielder Wattie, the Australasian foods group, a board seat to reflect its near 30 per cent stake. Sir Colin said he saw no point in buying into the airline

as a mere minority holder. He believed that there were strong strategic benefits for Air NZ in BA having a stake. The two businesses were

highly complementary with minimal overlaps on route networks and with their seasons at different times of the year, which would allow to optimize both the use of aircraft and

other resources. Sir Colin said the BA negoti-ating team left Wellington last. Thursday. He had seen their preliminary report, and said: "Our interest is building all Our interest is building all

the time." BA was keen for a higher stake but would accept the limit because of concerns over a possible backlash from countries with bilateral air service



## Sir Colin Marshell: sees siralegic benefits

NZSHO2M. Air NZ executives are pri-vately known to favour a BA hid, and Mr Fletcher appeared to endorse this in remarks wel-coming the coming privatisa-tion, saying it was "desirable for Air New Zealand to have strong partners and compatible alliances." He added: "Strengthened access to the northern hemisphere markets is an important consideration." greements with New Zealand. Sir Colin hoped that the New Zealand Government would follow the UK example of privat-ising BA, giving staff and the wider public shareholdings. He refused to comment on specu-lation that Sir Ron Brierley's locally based Brierley Invest ments was keen to buy the remaining 75 per cent.

Curbs hit S African Rivals to BA in the hin are Qantas of Anstralia as well as EIE Development, a Japanese company which is active in hotels in Australia and New Zealand, and a consortium of Air NZ staff. Toyota's

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JAPANESE trade restrictions appear to have affected Toyota, South Africa's largest motor manufacturer, in the six months to June.

months to sume The company - which is locally owned but receives trademarks, technology and components under licence while group operating profits fell from NZ\$108m to components muer licence from Toyota of Japan -reported a 21.3 per cent increase in vehicle sales over the first half of 1967 but said supply shortages resulted in its market share dropping to 27.8 per cent from 23.4 per cent The 1967 profit figure had included asset sales of

The Japanese Foreign Ministhe separate rowing hands-iry, embarrassed by its com-fry's growing two-way trade with South Africa, has sought to persuade experiant to cut shies to this market. Sales of siles to this market. Sales of motor kits and components form the largest part of Japan's exports to South Africa, where motor manufac-turers have sought to cover their concern that cuts could affect production. Toyota's loss of market share reflects common prefer-ence for West German cars, which are not currently.

ence for west German cars, which are not currently threatened by sanctions, and gains made by Delta, the for-mer General Motors unit which has been able to sell to the military since the US par-ent divested in 1986. However, motor inductors

However, motor industry analysis say Toyota's first-half sales increase could signify that the company is not hadly affected by trade restrictions

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## through a newly formed company, LD Holding, Inc. has acquired

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## Wardley defectors quit Citicorp HK unit

By David Dodwell in Hong Kong

CITICORP SCRIMGEOUR Vickers, the US-owned London stockbroker which stormed into Hong Kong's corporate finance sector three years ago by poaching the five-man core of the local Wardley merchant banking team, has had to taste its own medicine with news that the same team is again on

the time that the only way to-carve a niche in the local mar-HK\$100m (US\$12.8m) - the minimum required in Hong Kong to set up such a business - from e number of corporate clients in the territory. "You have to recognise that

these are prima donna people - they are entrepreneurs," said one phlegmatic Citicorp executive. "It is not a matter of

ket was to buy in an existing and effective merchant bank-

Yuen commented yesterday. "The group will take some time to recuperate. Stephen Clark and the team with him are leaving on very good terms - it's more e reflection that ing team. Since then, his convictions appear to have been proven right, with Citicorp. having established a strong position in the local merchant banking community. they have grown to e stage where they don't want to be

## INTL. COMPANIES AND FINANCE

## Virican American 0) 0ta's **GNP** data disappoint traders

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#### By Dominique Jackson

EUROBOND dealers who had been hoping that the latest gross national product data from the US would set some kind of cleaver direction for-fixed income markets wore

disappointed yesterday. Although lower than expec-ted GNP growth initially boosted dollar bond markets, the implicit price deflator was at the higher end of expecta-tions and the net effect of the data was thought by traders to be broadly neutral.

The softer tone of the dollar on European exchanges helped sterling bond markets which suffered a temporary setback on the news that the UK trade gap had exceeded film. However, the pound held up well and gilts and Eurosterling managed to end with small net gains.

In West Germany, bond prices traced a similar pattern. An easier start sent the aver-age yield on public paper to the highest level so far this year at 6.51 per cent. However, a brief flurry of activity fol-lowed the release of the US data and prices recovered to finish a little better overall. Tuesday's DMS00m seven-year Soviet bank issue saw

some demand earlier in the day when it was bid at a discount of 1.85 against fall fees of 214. This tailed off later on when it slipped to trade at around less 2.

#### INTERNATIONAL BONDS

Banque Parihas Capital Mar-kets won a reportedly holly contested mandate for a \$300m deal for General Electric Capital Corporation which emerged as a seven-year deal pitched at 9<sup>1</sup><sub>2</sub> per cent and 101<sup>1</sup><sub>2</sub> for a yield margin at launch of 41 basis points over ble Treast

BPCM also led a C\$65m three-year issue at 104 per cent and 1014 for Banque Paribas Luxemb urg, and expec ted to see fair demand from Continental investors. The lead manager said it was too early to indicate a trading level on aither deal

European retail accounts were the target on a A\$60m deal for Société Générale via Bankers Trust International The issue has a 34-year main rity and is pitched at 13'4 per cent and 1015. While Conti-nental similar bolidays have certainly curtailed demand fo

**TSB** unit to securitise £135m of mortgages By David Barchard

MORTGAGE EXPRESS, the TSB Group's mortgage leading arm, yesterday announced a £135m mortgage securitisation issue, the first ever by an insti-tution regulated by the Bank of Enciend

England. The issue is being lead man-aged by Salomon Brothers International and is expected to earn a triple-A rating from Standard & Poor's, the US rat-

ings agency.

Mortgage accuritisation, the conversion by a mortgage lender of a number of mort-gages into a security which can be sold and thus removed from its balance sheet, is com-monly practised in the US. The first UK mortgage secur-itisation took place early in 1987 and since then. £2.5bn

worth of home mortgages have been securitised and the volume appears to be growing rapidly.

The Mortgage Express issue is the 10th British securitisa-tion package this year. The operation is particularly attrac, tive to mortgage lenders which have no deposit base and fund directly from the wholesale markets. It enables them to expand the volume of business ey can do on a limited capi-

tal The coupon will be tightly priced at three-month London interbank offered rates (Libor) plus 30 basis points, slightly under the 32.5 basis points above Libor regarded by the market as the best coupon prio-

ing on AAA issues. After 10 years the coupon price will rise to Libor plus 50 basis points.

The issue's AAA rating is based on the quality of the insurance it has been given by Eagle Star, backed up by International

Mortgage Express says the portfolio consists of high quality endowment mortgages, with an average size of £53,000, which have been in existence for at least six months.

The buyers are expected to include Japanese, European and UK financial institutions. Mortgage Express said the issue was the first of a number it was planning to enable it to make more efficient use of its canital resources.

## Korea business fears rates rise

## By Maggle Ford in Secul

LEADING South Korean companies are intensifying their campaign against the Government's plan for finan-cial liberalisation, starting with deregulation of bank interest rates later this year. The argument over liberalis-ation, which is supported in principle by almost all busi-

nessmen, has previously cen-tred on the pace of change from the current highly controlled oystem. Recent announcements by Mr Sakong II, the Finance Minister, over interest rates have heightened attitudes in the private sector about the way to manage what could be a revolutionary

earn more than 50 per cent of net profits from fee income, reform Big companies fear that a liberalisation of interest rates, had at present controlled by the Government at around 12 to 18 per cent for corporate custom-ers, will trigger a big rise in on letters of credit but had not felt confident enough to com-pete with each other on rates. Foreign bank branches, which also do substantial letter of credit business, had underthe cost of borrowing in a market desperately short of higuid-ity: Rates in the unofficial cut the local banks and were short-term market in South Korea are currently at or above to follow suit. 20 per cent, and companies are severely restricted in their bor-

rowing opportunities.

The companies believe that Government's lack of commer cial experience. "They are all academic theorists," said one prominent businessman, "withthe only way to deregulate interest rates in an orderly fashion within the current strongly controlled market is out any feeling for the marketto set up simultaneously a

modern money market. At present, the South Korean Business resistance to the liberalisation of interest rates has been met by several govbanking system operates under ernment proposals for interim measures, including the idea of a "reference rate" under which such tight constraints that the interbank market scarcely functions at all. The Government this month the whole interest rate system would harmonise gradually. The independence of the cenplaced its toe in the waters of financial reform by removing the controls on fee income and tral bank, currently under control of the ministry, is also at the centre of the reform debate. The central bank believes that in the move to foreign exchange commissions earned by South Korea's com-

mercial banks. By the end of this month, the banks, which free market forces the business environment, especially the local banks, should be relieved lowered their commission of historical burdens so that they will be competitive. These burdens include at least \$5bn of non-performing assets resulting from forced govern-ment-sponsored rescues of ailing companies.

waiting for the first local bank The ministry believes that once interest rates are deregu-lated market forces will create According to the business the neccessary atmosphere for community the main problem. facing financial reform is the changes.

These securities have been sold outside the United States of America and Japan. This appears as a matter of record only.

NEW ISSUE



## Nankai Electric Railway Co., Ltd.

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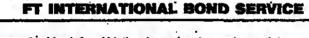
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Closing prices on Joby 27 Change an Bid Offer Ary weak Yield 100% 101% 0 +0% 5.11 95% 96% +0% 40% 5.11 97% 0 0 5.06 0 98% 99% 0 +0% 5.33 0 99% 100% 0 +0% 5.33 0 99% 100% 0 +0% 5.42 50 102% 102% +0% +0% 4.% 50 101% 102% +0% +0% 4.% http://doi.org/10%

certainly cartained generation for this type of paper, the deal was extensively pre-marketed while the strong co-manage-ment group, including Ham-bros and several European banks with good retail bases, was expected to ensure a fair, reception. The deal was bid at a discount equal to its fees of 12.

a discount yount to as acces to 1<sup>1</sup>2. Deutsche Bank Capital Mar-kets led a EcalSon five-year issue at 8 per cent- and 101<sup>1</sup>2 for LVMH Most Hennessy Louis Valton, the French Inx-ury accessory, retail and druks gram.

ury accessory, retail and drinks group. At the same time the bor-rower issued a FF300m three-year deal at 3<sup>1</sup>/<sub>2</sub> per cent and 101's via. Gredit. Lyonnais, which is the book runner, and Banque Nationale de Paris. The proceeds of today's bor-rowings will be used to cover nearly half of the estimated FF74Dn costs of acquiring a stake in Guinness, tho UK drinks group, which LVMH agreed to take carlier this month in a complex deal involving cross-holdings. In Switzerland, Credit Suisse brought Ishizuka Glass to the market with a SFr60m convertible five-year issue on which the coupon is indicated at '<sub>2</sub> per cent. The recent SFr150m issue for Cenus BV, with warrants

for Cerus BV, with warrants exercisable into Société Génér-ale de Belgique, ended its first day's trading at 97<sup>1</sup>/<sub>2</sub>, com-pared with its par issue price.

## **Outsiders** for **Budapest SE**

#### By Our Financial Staff

INDIVIDUAL Hungarians as investus will be allowed to investus will be allowed to invest on Eastern Europe's only stock exchange when it opens next year in Budapest, the official MTI news agency

said. Earlier this week the agency reported that share purchases on the Budapest Stock Exchange, due to open on Jan-uary 1 1989, would be restricted to members. It said the 26 hanks and financial institutions involved in an existing bond market met on Tuesday to discuss stock mar-ket operations and had "con-firmed plans to make it possi-ble for other institutions and private persons to deal in secu-rities." rities."

ties." The meeting elected a sevca-member Stock Exchange Council, headed by Mr Zsig-mond Jarat, deputy general manager of Budapest Bank, which will work out a charter for trading, along with a com-mittee on schical conduct.

Yacuda Trust Fin 812 93	. 100	964	.961	0+04	9.45
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#### t Dely one market maker supplied a price

Straight Bonds, The yield is the yield to retemption of the mid-price; the arreast based is in millions of carrancy axis except for Yen bonds where it is in billions. Charge on week-Charge over price a week earlier. Floating Rate Notes: Denominated in dollars onless otherwise indi-cated. Coupon shows is minimum. Cake-Date act coupon becomes effective. Spread - Margin above sky-month offered rate (sthree-month; Sabove mean rate) for US dollars. Cape-The current coupon.

coopen. Somertible Bonds: Denorminated is dollars unless otherwise indicated. Cng. day = Change on day. One date = First date of conversion into shares. Cnv. price = Nominal acount of bond per share expression returnency of share at conversion rate lized at issue. Pren = Percent-age premium of the currential faction price of a capairing shares via the hand user the most recent price of the shares.

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## **Republic National Bank of New York**

A subsidiary of REPUBLIC NEW YORK CORPORATION **Consolidated Statements of Condition** 

(In Thousands)

1988	1967	Liebilities and Stockholder's Equity	1966	1987
		Non-Interest bearing deposits:		
\$ 321,513	\$ 291,014	In domestic offices	\$ 616,041	\$ 577,471
¢ 021,010.	Ψ 201,014	In foreign offices	195,890	138,948
0.044 000	E 444 010		195,050	100,340
8,941,683	6,444,010	Interest bearing deposits:		
				3,904,187
		In foreign offices	8,711,586	7,120,128
228,380 }	232,640	Total deposite	14 094 442	11.740.732
				873,770
- 1				1,988,297
				156,570
377 188	728 522			403,717
0111100	1 COPOLL	Long-term debt	1.501.917	550,148
		Stockholder's Equity:	1	
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3,930,407	3,733,138		1 1	
			1 100 000	
(196,756)	(209,961)		00,000	
3 733 651	3 525 178			
0,100,001	0,020,010			
-		shares outstanding	355,000	355,000
1 874 893	1 097 498	Surplus	845.000	845,000
		Retained earnings	312,545	302,897
				1,502,897
			1,012,040	1,302,087
\$20,202,527	\$17,216,131	stockholder's equity	\$20,202,527	\$17,216,131
		Letters of credit outstanding	\$ 1,185,401	\$ 995,086
\$9.0 millio	estment in precious n and \$11.9 million in	metals not hedged by forward sale 1988 and 1987, respectively.	es was	
ORPORATION				
ra Data)	J	<u>/ne 30,</u>		ne 30,
	1988	1967°	1988	1987
mothem	£ 00 007	\$/31 3530	\$ 43 314	\$(80,165
any ment				\$(80,165
man of a start				\$ 8,590
Manior Stock	\$ 17,963	4 1/.1/C	a a,007	· · · · · · · · · · · · · · · · · · ·
-Teen item	e 0.40	6 (1 25)	S 1 20	\$ (2.79
Carnery Renti		e (1 70)		\$ (2.79
		e 50		a (2.19
		00 410		<sup>3</sup> 29.636
		28,412		
arking to market	or sales of certain ou	tstandings in lesser developed cou	mately \$64 million untries.	
Ŕ	fth Avenue at 40th Street, I	New York, New York 10018		
(30 offices in Ma Member Ferler	nhettan, Bronx, Brooklyn, ( Baserve System/Manhe	Jusens, westchester & Hockans County) r Federal Decosit Insurance Corporation		
Hits - Beinut - Busnos	Aires + Caracas + Cavma	Islands • Geneva • Gibraiter • Guernary • I	long Kong	
· Lugeno · Lucembo	urg - Mexico City - Mierni	Milan - Monte Carlo - Montevideo - Montre	el - New York - Nassa	
Paris - Puota de	i Este + Rio de Janeiro + S	andago • Seo Paulo • Singapore • Tokyo		
	\$9.0 million ORPORATION many item ommon stock dinary item tanding ta special provisk arking to market provisk arking to market	3,275,220       2,919,056         223,380       232,640         377,185       728,522         3,930,407       3,735,139         _(196,756)       _(209,961)         3,733,651       3,525,178         1,974,823       1,987,426         349,645       290,466         264,636       200,780         _627,495       _495,122         \$20,202,527       \$17,216,131         portion of the investment in precious       \$9,0 million and \$11.9 million in         portion of the investment in precious       \$9,0 million and \$11.9 million in         DRPORATION       Six Mo         rap titem       \$ 80,897         portion stock       \$ 17,963         clinary item       \$ 2,40         \$ appendix       \$ 2,40         \$ appendix       \$ 2,40         \$ appendix       \$ 2,40         \$ appendix       \$ 29,803         at a special provision for loan losses of cartain out         Phones in Management and obstreet, I         (b) offices in Management and obstreet, I         (c) offices in Management and bits Street, I         (c) offices in Management and bits Street, I         (c) offices in Management and bits Street, I         (c) offi	3.275,220       2,919,056       In foreign offices         223,380       232,540       Total deposits         3.001-term borrowings       Acceptances outstanding         Acceptances outstanding       Acceptances outstanding         3.77,185       728,522       Other liabilities         3.930,407       3,735,139       Stockholder's Equity:         3.930,407       3,735,139       Cumulative preferred stock,	3,275,220         2,919,056         In foreign offices         8,711,588           225,380         232,540         Total deposits         14,094,442         213,535           377,188         728,522         Other liabilities         1980,422         178,855           377,188         728,522         Other liabilities         620,811         1,501,917           3,930,407         3,735,139         Cumulative preferred stock, \$100 par value: 1,000,000         100,000

## PRICE WATERHOUSE and the FINANCIAL TIMES CONFERENCE ORGANISATION present: CAPITAL MARKETS WORKSHOP 12-14 SEPTEMBER · 17-19 OCTOBER 7-9 NOVEMBER · 7-9 DECEMBER his important 3-day workshop will

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Kevin Lee Assistant Director, Treasury and Trading Group Baring Brothers & Co Limited	Michael Hempstead Assistant Director BJ International Limited	
Bob Fuller Director, Capital Markets Charterhouse Bank Limited	Richard Kilsby Managing Director, Capital Markets Charterhouse Bank Limited	

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## INTL. COMPANIES AND FINANCE UK gives up key Amersham share

By Andrew Taylor in London

The UK Government yesterday gave up its "golden share" in Amersham International, the health care and medical research products group which was privatised in 1982.

The special rights preference share, redeemed for £1, has prevented any shareholder or groups of shareholder from controlling more than 15 per cent of Amersham.

Announcing the redemption, Mr Cecil Parkinson, Energy Secretary, said the golden share had been designed to protect company from an unwelcome takeover bid while it found its feet after privatisa-

"I think it no longer necessary for the protection to con-

tinne and have therefore decided to enercise the option open to me and to redemm the special share forthwith." told MPs in the House of Commons. Amersham's share price after yesterday's announce-ment rose 25p to 470p valuing the company at £235m (2400m). Golden shares have been taken by the UK Government in 12 of the 17 major privatisa-tion issues to have taken place since 1979. Amersham is the Golden shares have been taken by the UK Government in 12 of the 17 major privatisa-tion issues to have taken place since 1979. Ameraham is the first golden share to be

Other golden shares are held in British Aerospace, Cable & Wireless, Britoil, Enterprise Oil, Jaguar, British Telecom, British Gas, Royal Ordinance, British Airports Authority,

. . . .

BP is one of five privatian-tion issues in which the Govtion issues in which the Gov-empart did not take a golden share. The others were: National Freight Corporation, Associated British Ports, Brit-ish Shipbuilders and British Airways. Dr Stuart Burgess, Amersham chief executive,

said the redemption did not affect the company's articles of association. These required shareholders sealing in control more than 15 per of the com-pany's equity to get the approval of 75 per cent of shareholders. The privatisation of Apper-sham in February 1963 raised 571m. The insue was heavily oversubscribed, and the Gov-ernment was was strongly crit-cleed after the shares - issued at 142p - opened in the mar-ket at 190p.

at 142p - opened in the mar-ket at 1900. Amersham increased its pre-tax profits in the year to the. March 31 by 14.5 per cent to 225.5m compared with 522.1m the previous year. Sales rose from Si45m to Fl65m. Lex. Fage 13

Hotel prior to a show of bands

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Why

## Pru votes against Rothmans payment

#### By Ray Bashford In London

TWO largest institutional shareholders in Rothmans International, the UK-based tobacco group, have voted against a £750,000 (\$1.3m) retirement payment to Sir Rob-ertCrichton-Brown who tomorrow steps down as executive chairman.

Prudential Assurance and Standard Life Assurance have cast proxy votes against the payment which will be consid-ered by shareholders at tomorrow's annual general meeting. M & G, another large shareholder, will make a decision today but has already expressed reservations about the payment during a meeting with senior Rothmans executives.

The Prudential and Standard said they are opposed in princi-ple to one-off cash payments to

687.4m 84m 0,76

1.34ba 161.6m 1.50

2,87bs 163.9m 0,50

5.54ba 378.6m

585.9m 62.5m 0.56

1.11br 116.7m 1.05

2.62ba 140.8m 0,44

5.31ba 278.8m 0.88

Electrical equipment

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retiring executives and are par-ticularly concerned about the size of the proposed payment to Sir Robert.

"It is difficult enough to determine what level of salary an executive director should receive but when it comes to a payments of this size it is time to draw the line," a spokesman for one of groups said.

The spokesman also said that his group would vota against any other similar pay-ments and that the position that has been adopted on Roth-mans should be taken as a "policy statement."

The fund manager at another large institution which, in line with group policy, will not vote on this issue scribed the payment as "pretty outrageous". Rothmans announced the

56m 17.6m 1.29

128m 32.5m 2.36

1968 \$ 24.1bs 169.9m 8.85

222.3m #113.4m

59.6m 7.9m 0.56

111.6m 15.8m 1.16

1987 \$ 24.15 (0.42m) 17.87

SOTAAS LA

proposal to make the payment earlier this month and said that it was in recognition of Sir Robert's contribution in re-shaping Rothmans and strengthening its financial

payment would lift the total remunerations to over £1.5m. Mr Makeoim Thompson, Rothmans finance director, said yesterday that the pay-ment would be discussed at the meeting in the Dorchestar Head payer to a short of hands position. At the same time the com-pany disclosed that Sir Rob-ert's emoluments in the 12 menths to March this year rose

on the payment. If the count is close, a proxy count, could take place. How-ever, as the two largest share-holders - the Rambrandt Group of South Africa and Philip Morby £67,847 to £298,184. Sir Robert, a 69 year-old Ans-tralian who retired earlier this ris of the US - control 68 per cent of the voting shares there year as a non-executive direc-tor of Rothmans Australia and

year as a non-executive direc-tor of Rothmans Australia and is a prominent member of the country's business community. took his post on the parent company's board in January 1985. During his three years in the emoluments of £758,582. Standard control slightly over Approval of the retirement 2 per cent of the shares. NORTH AMERICAN QUARTERLY RESULTS Hannethay-chank Ster Continels

Third quarter Net Recome	5 792.9m 24.30 0.33 2.2750 2.2750 73.1m 2.00	1986/7 446 Jan 1986/7 1986 1995 1995 1995 140	Second quartier Reseases Net income Sit income Sit income Reseases Net provide Net per share Net per share	3 1.340m 100.1m 1.25 2.636m 199.4m 2.41	5 1.725n 83.8m 0.94 2.416n 1.58.9m 1.76
KENR-MOREE Energy, recountle			LORAL	····-	
	2968	1987	Defence, Aerospece		
Revenues	750m	726m		1988/9	1967/8
Six months	0.74	0.56	First quarter	337.8m	317.80
Net her share	1.39hn 46.1m 0.95		Net lacone minere	19.6m 0.78	15.6m 0.64



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## **MANAGEMENT:** Marketing and Advertising

Asahi was very clever in the image it created for Super Dry.

In contrast to previous beer advertising which played on beer's supposed association

with nature by showing pic-tures of rolling fields and blue

tures of rolling fields and blue skies, Asahi gave "dry" a strong male image. Advertise-ments featured a well-known Japanese war correspondent drinking beer in front of a view of what might be the Gulf. Kirin countered with film star Gene Hackman, famous for his tough roles, and Sapporo with champion borer Mike Tyson, but they have not dislodged Asahi's carefully crafted

Asahi's carefully crafted

have worked if Japanese drink-ers had not been ready for a

new beer. As is obvious with hindsight, Asshi capitalised on the huge expansion of con-

sumer choice in Japan gener-ated by the country's economic growth. In everything from

However, none of this would

appeal.

other fields.

t is a commonplace in the brewing (industry that drinkers are as likely to change their taste in beer as to go to a bar and order milk.

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From Yorkshire and that Yukon to Yokohama, the belief is that people are so conserva-tive about their drinking hab-its that it takes years of mar-keting effort to persuade them.

to change their minds. But in the last year, a Japa-nese brewing company has blown a hole in this theory with a hugely successful new drink called Dry Beer.

In a market where a one per cant gain in market share is hailed as a victory, Asahi Breweries has, since early 1987, virtually doubled its share of ENDA. the Japanese beer market to over 20 per cent.

Demand for the wonder brew outstrips production to such an extent that Asahi has forbidden its employees from buying it. Some Tokyo liquor stores have to ration their customers.

Many of the reasons for Asahi's coup are unique to Japan – notably the current explosion of spending on con-sumption and leisure. But sumption and leasure. But brewers elsewhere are eagerly studying Dry Fever - not least because Asahi is launching the brew in the US and is consider-ing introducing it to the UK. "What has happened in the

Japanese beer market will become a textbook case of mar-keting," says Junzo Yabe, an executive at Kirin, Asahi's rival and Japan's biggest

Dry Beer's main feature is Dry Beer's main leature is that it is stronger than the average Japanese brew, its alcohol content is 5 per cent as against the usual 4.5 per cent. This makes it slightly less sweet than regular beer - but many drinkers would be hard mut to tall the difference. The put to tell the difference. The whole story lies in Asahi's marketing of the brew.

Asahi came to launch Dry Beer not out of choice but out of necessity. Established after the war to challenge Kirin and Sapporo, Japan's number two brewer, Asabi expanded strongly under the leadership of its founder Tamesaburo Yamamoto who died in the late 19704

After his death, Asahi suf-fered from a lack of firm management; market share slipped below 10 per cent. But when the current president, 70-year-old Hiroharo Higuchi, took control in 1986, he rapidly put into effect the changes which have transformed Asahi's for-

The key to the strategy was a new emphasis on the company's corporate identity and on improving contact with the entists got busy in the labora-.



Dry beer's main feature is that it is stronger and therefore slightly less sweet than the a Japanese brew; demand is such that all brewers are producing to the limits of capacity

## How Japan went 'dry' with more alcohol

Stefan Wagstyl reports on a thirst for a new-style beer

Dry, in March 1987.

beer.

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customer. Naoki Izumiya, an Asahi public relations manager, says the company had suffered from a decline in awareness of the Asahi brand among consumers, who were becoming increasingly loyal to Kirin, the market leader with a 60 per cent share.

the country. In order to raise its corporate Moreover, production rather than marketing dominated cor-porate thinking at Japanese profila, Asahi redesigned its labels to emphasise the word breweries, including Asahi. As a result, brewers had got used to operating in the belief that "Asahi" instead of an old-fashioned rising sun. It gained maximum impact by recalling from liquor stores all cans and customers would drink whatbottles with the old-style labels and replacing them with new ever the brewer said was good stock

for them," says Izumiya. Higuchi's answer was to launch a huge market research survey in which 5,000 people were polled at stores through-out Japan about their tastes in beer. Asabi says it was the first time any brewer had gone out to its customers in this way.

Kirin acknowledges that the scale was unprecedented in an industry which typically polled 1,000 or 2,000 people. Drinkers told Asahi they

Drinkers told Asahi they wanted a beer which was strong in taste and alcohol con-tent but which did not leave: any lingering after-taste. The answers were the basis for the invention of dry beer. But even before Asahi's sci-

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tory, its marketing executives end of December and a further set to work in the field. First they relaunched Asahi's regu-27m by the end of last month. Dry Beer fever had taken a lar brew in a hard-hitting campaign aimed at reaching out directly to customers. The

grip on Japan. Other brewers watched in amazement before launching their own brands of dry in company gave away im cans of free beer at stores throughout early 1988. Asahi mitially comstealing its ideas - but cut short its protest when it saw that one effect of the competitors' advertising was to boost sales of its own brew.

The result is that dry beer now accounts for between 20 and 25 per cent of the Japanese beer market, with all the brew-ers producing "dry" to the lim-its of production capacity. But the clear winner is Asahi which is now within a whicker of comparison The result was a worthwhile

The result was a worthwhile 10 per cent increase in sales in 1986 to Y259bn. So Asahi was encouraged to bring out its new secret brew, Asahi Super. whisker of overtaking Sapporo as Japan's second largest brewer, with a 20.5 per cent The company expected Super Dry to be a modest success on the same scale as the repackmarket share in June against Sapporo's 21 per cent. The big-gest loser has been Kirin, aged regular beer. It was whose market share dropped launched with a similar mar-keting campaign - complete with tha distribution of last month below 50 per cent for the first time in more than a decade.

another Im cans or so of free A number of elements lies behind Asahi's success. The first is the company's decision to emphasise direct marketing. It perstaded customers that it The initial hope was to sell the equivalent of 1m cases (each of 20 bottles of 633ml) by the end of the year. In the vained them - not least by asking them what they wanted event 13.5m were sold by the

## and then giving away free sam-ples. Kirin says direct market-ing was crucial for Asahi and it is now following suit promo-ting tasting parties and cook-ery classes. "Before we had too much confidence in the power of the Kirin brand." says Yabe. Kirin also concedes that Asahi was very clever in the Fashion fads Watches mark time

Manufacturers have become victims of their own marketing success. Christopher Parkes reports

The world watch industry has paid the inevitable price for its energetic performance in 1986. Output, which surged 20 per cent in that year, rose a mere 3 per cent last year as the market sagged under the surfeit. Japanese makera suffered badly. Squeezed between the seconding year and descending

ascending yen and descending prices, recent volume growth of between 10 per cent and 20 per cent a year collapsed to Only 1 per cent. According to Citizen Wetch, which produced almost half the 197m wetches nade in Japan and 15 per cent of world output, the value of Japanese sales dropped 19 per cent to Y245.5bn (£1bn). In common with arch-rival

Seiko and other Jepanese mak-ers, Citizen has attempted to cope with the yen by moving production overseas to Hong Kong, Taiwan and Thailand, but even this tactic appears to be of limited value.

cars to cosmetics, Japanese shoppers are being offered alternatives. So they were ripe It helped Citizen push through 12 per cent more vol-ume, but the value of sales was unchanged in 1987. By the end of this year the company will be making 60 per cent of all its watches abroad. for an increased choice in beer. Moreover, brewers say that in the last 10 years, the proportion of drinkers born after 1945 has come to exceed the pre-war generation. The post-1945 group are much less conserva-tive in their drinking habits -and in their tastes in many

Canny Hong Kong companies, which have come to domi-nate the cheaper end of the world market have also been busy "exporting" production. Most manufacturing of lowprice digital watches has been switched to mainland China, while production in Hong Kong

These young drinkers were the driving force behind a boom in the early 1980s in the drinking of Shochu, a vodka-like Japanese spirit. Shochn was traditionally drunk neat – but Western induced waves has been concentrated increasbut Western-influenced young people started drinking it in cocktails. However; after about Watch production cost in Japan five years, drinkers tired of shochu and were ready to be

6 Yen thousand 1986 Source: Citizen Watch - estimates tempted by dry beer. Asahi concedes that sales of Other Aslan Oceania 1.5 % North countries America 5 12.2% 21.6 % China Analog 9.2% Central and South Japan America 6.8% Mechanical 72% Average Western Middle and Europe 21.8 % Near East tion with the shochn and sake Digital 5.5% manufacturers and with importers of foreign drinks. "This has been a very good les-01 Africa Eastern **Total demand** -- 1984 85 86 Europe 10.4 % 67 3.8% 558 m pieces son. It shows we must fight to survive in the liquor market." Source: Japan Clock and Watch Assoc, Estimates

## ingly on fashionable analog models, with faces and hands - and higher margins. Few can match the flexibility or the low labour costs at the command of the Crown Colony's manufacturers, and the price erosion which these factors encourage offers a distinct threat to the prospects of mid-price range watches without e strong brand franchise. It is-becoming increasingly difficult

for the untrained eye to distin-guish quality except at the very top end of the market, and Hong Kong's emergence has reduced a vast chunk of the trade to something approaching commodity status.

In Japan, for example, a country supposedly populated with status-obsessed consumers, 85 per cent of the market is accounted for by watches rang-ing up to \$80 each. With 3 per cent of sales going to \$400-plus models like Rolex, the mid-range operators like Citizen and Seiko have been caught in

a pincer movement. Like other consumer durables industries operating in saturated markets, the watch business needs innovation if it is to grow. The concept of the Swatch, e highly decorative plastic fashion watch, helped reverse the decline in Swiss volume output in the 1970s. Now, Citizen says, sales have peaked. Total Swiss watch out-

put fell 3 per cent last year, although price increases on the top models such as Rolex and Accurist belped prevent a drop

in the value of the industry's production. Hsving come full circle in face design, from analog to dig-ital and now back to analog

again, and with all and sundry mimicking the Swatch style, there has been no real innova-tion for almost 10 years.

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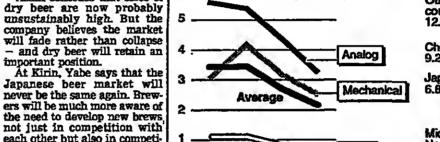
Wetch makers are also vic-tims of their own technological success which has greatly extended product life and adversely affected the replacement cycle. Even reletively cheap quartz watches are vir-tually indestructible and maintenance-free apart from the occasional need to replace the battery.

Also, in spite of some costly promotional efforts, most brands apart from the top rank Swiss and couture names like Cartier are relatively little recognised because of the lack of product differentiation.

The mainstream makers' attempts to push their brands up-market are not belped, in up-harket are not bened, in Britain at least, by retailers which commonly use watches in cut-price promotions, and the increasing inroads into the market being made by dis-connt catalogue shops and weil order bounce mail order bouses.

For recent evidence that the mass-market wrist-watch has lost much of its cachet, Japanese manufacturers had to look no further than their local shopping streets where 35mm film was being sold with a free Hong Kong digital watch taped to the pack.

**Trends in Worldwide watch markets** 



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TECHNOLOGY

# Animals that can be milked by industry

Clive Cookson reports on the live production lines made possible by genetic engineering

he most precious sheep's nity in the short term. milk in the world comes from According to Philip I three Scottish ewes, which aging director of ABC, have been genetically engi-neered to produce useful human pro-teins. Mill from two of the animals

teins. Milk from two of the animals contains the blood clotting agent fac-tor IX, while the third makes alpha-l-antitrypsin, a drug used to treat cer-tain lung diseases. The sheep are the first farm ani-mals in which human genes have been inserted and snccessfully "switched on". Paul Simons, one of the scientists working on the project at the Institute of Animal Physiology and Genetics Research near Edinand Genetics Research, near Edinburgh, says the milk contains only small amounts of the proteins. But he and his colleagues are confident that they will be able to increase the quan-tities substantially to make commer-cial production possible. They are also

cial production possible. They are also delighted that one of the ewes has bred and passed on the human factor IX gene to her lamb. Although the genetic engineering of mammals is still only at the research stage, it is beginning to attract signifi-cant commercial funding. Several commanies have been set up to procompanies have been set up to pro-duce "transgenic" animals by transferring new genes from other species, including Pharmacentical Proteins and Animal Biotechnology Cambridge (ABC) in the UK, and Embryogen, Transgenic Science and Integrated Genetics in the US, Some of the estab-lished US pharmaceutical and animal breeding companies are also carrying out transmission

out transgenic research. The business applications of trans-genic animals are likely to fail into

three main categories: • Pharmaceutical production. It may be cheaper to make human proteins in large animals and extract them from milk, than to produce them in large fermenters containing cell cultures or genetically engineered micro-organisms, such as bacteria or

yeast. • Improved farm animals. Genetic engineering should achieve results that are impossible with conventional animal breeding by introducing genes from different species. One example is to make larger pigs by adding growth hormone genes from other animals. • New strains of laboratory animals for blowastical and pharmaccutical for blomedical and pharmaceutical research. The idea is to produce mice which will develop specific diseases in a predictable way. For example, animals carrying a particular oncogene (cancer-causing gene) could be used to test potential treatments for cancer. Looking five or 10 years shead, drug production may be the most Important area of application, with large-scale agricultural uses of trans-genics following at the beginning of the next century. But, surprisingly perhaps, transgenic laboratory mice present the greatest business opportu-

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According to Philip Parman, man-aging director of ABC, the pharma-centical industry spends \$500m (£290m) a year on laboratory mice and rats. "We believe that transgenic animals could take much of that market."

His colleagua Martin Evans, head of ABC's transgenics division and a lecturer in Cambridge University's genetics department, says: "We have several letters of intent from pharmaceutical companies which want us to make animal models of diseases." The ones the industry wants to model in mice include cancer, AIDS and heart conditions.

A research team led by Philip Leder of Harvard Medical School recently received a US patent for a mouse carrving human oncogenes - the first rying human oncogenes - the inst transgenic animal to be patented. Leder says that by altering the regula-tory sequence of DNA (genetic mate-rial) attached to the oncogenes, he can produce mice which will reliably develop any of the common human human beings.

How to make a transgenic sheep

cancers. These can be used not only animals into pigs, they were disap-to test anti-cancer drugs but also to pointed to find that the transgenic to test anti-cancer drugs but also to screen substances which are enscted of promoting or causing cancer (carcinoge

Harvard has given the commercial rights to the patent to Du Pont, the chemical company which partially funded the research. It is patting in a facility for handling transgenic ani-mals at its Delaware research establishment. The company believes that there will be a large market for the Harvard mouse, but has not yet decided how extensively it wants to become involved in the transgenic animal business.

The production of superior farm animals by genetic engineering is turning out to be more of a challenge than the scientific optimists were pre-dicting a few years ago. In 1982, a US research team made mice grow to twice the normal size by inserting growth hormone genes from rats and

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When the researchers inserted growth hormone genes from other

animals grew no faster than normal pigs. They did admittedly grow more lean meat and less fat, but the foreign growth hormones also had several unfortunate side effects: arthritis,

lameness and reduced fertility. Several research groups are now trying to redesign the growth hor-mone genes and the associated "regulatory sequences" which turn them on and off in the animal, to make super-pigs without edverse side effects. According to Martin Evans of Cambridge, no one has yet succeeded. Apart from echieving faster growth

and leaner meat, scientists hope to improve farm animals in other ways by genetic engineering. Projects include: milk with a protein balance that is better suited to cheese making, sheep with woollier fleece; and cattle for tropical Africa with genetic immunity to the tsetse fly. However, some veterinary experts

believe there is too much scientific enthusiasm for transgenic animals.

THE MOST common way of transferring foreign genes to an animal - and the only one used for farm animels - is to inject several hundred copies of the gene directly into a nawly fertilised egg. The gene normally has two parts. One has the code for the protein you want the animal to produce -for example fector 9 - and the other is a regulatory portion which switches the gene on in the right cells (see upper diegram). If you want the protein to be produced in milk, this portion will coma from a gene that is active only in the mammary glands.

Working under a microscope, the scientist squirts the genes through a tiny pipette into one of the egg'e pronuclei (see lower diegram). The pronuclei fuse to form a single nucleus before the cell starts dividing. At this stage, the foreign gene is sometimes incorporated in one of the chromosomes (genetic structures) of the egg. A few hours after injection, the egg is put back into its mother's oviduct. If the fertilised egg takes up the

gene - and scientists do not know yet how this happens - it will normally be transferred to every cell of the growing embryo to produce a transgenic animal.

The proportion of injected eggs that survive to become transgenic animals is low; up to five per cent in mice end only one per cent in sheep. To increase success rates, scientists are axperimenting with alternative methods of introducing foreign genes and developing nsw ways of handling eggs and embryos. "Every proposal must be examined rigorously from two points of view," says Professor John Webster, head of the animal husbandry department at Bristol University. "Is it likely to work? And is it fair to the animal? "Some of the ideas being put for

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"Some of the ideas being put for-ward at the moment are just dopey." As an example, he mentions a pro-posal to produce pigs that can live on grass, as sheep and cattle do, by giving them extra genes for the enzymes required to digest cellulose. According to Webster, this plan could not work because the anatomy of the pig's gut is fundamentally unsuited to digesting grass, whatever enzymes it

But be does support the genetic engineering of animals to produce human drugs in their milk. This does not make the animals suffer and, he notes, "if yon increase the cash value of animals, people tend to look after them better."

Companies working with transgenic animals have chosen a variety of drugs as research targets. Pharmaceu-tical Proteins, which is sponsoring research at the Institute of Animal Physiology and Genetics Research, is focusing on the blood-clotting agents Factor VIII and Factor IV Heimershi Factor VIII and Factor IX. Haemophiliacs require regular injections of one or other of these proteins, which are now extracted from blood and may

Integrated Genetics of Massachn-setts aims to extract TPA, s protein which dissolves blood clots and helps prevent heart ettacks, from goats' milk. Although the company sees a potential \$1bn-a-year world market for TPA, it faces formidable competition from manufacturers such as Genen-tech and Wellcome, which plan to make the protein in cell cultures.

The only established pharmaceuti-cal company which admits publicly to carrying out research on transgenic milk is Rorer, based in Pennsylvania. It aims to produce albumin, the main protein in blood plasma, from transgenic cows. Some patients require large infusions of albumin after undergoing major surgery.

Finally, what about transgenic peo-ple? There is no technical reason why the genetic engineering experiments carried out on other animals could not be repeated with buman beings, but no researcher has yet dared to inject foreign genes into a buman egg (or st least no one has talked about doing so). Moral disapproval is likely to prevent any genetic manipulation of the human "germ line" for the foreseeable future.

But doctors are likely soon to attempt to correct genetic defects in specific human cells - bone marrow cells in the first instance. This "somatic" gene therapy will not affect future generations and most medical authorities approve of the idea. WORTH

WATCHING Edited by

**Geoffrey Charlish** 

## **Controlling the** flow of metal

A MORE accurate system for pouring metal in foundries is being introduced in Europe by Selective Electronic Company (Selcom), of Gothenburg in Sweden. The system is elready aither operating in or on order for 15 sand casting lines in the US end Canada.

On e typical casting line, the moulds ere moved to e position under e ladie in which a stopper rod is raised to ellow molten metal to pour into e receiving cup (the sprue cup) in the top of tha mould. From the sprue cup, which is a kind of reservoir,

the metal flows down into the But over-pouring often wastes metal, while short or

interrupted pours can give rise to scrap. In the Selcom equipment,

a laser gauging system end electronic controls are used to monitor the level of metal in the sprue cup. The system provides immediate feedback to the stopper rod actuator and the metal flow is modified so theil the cup is filled to the required level in seconds and the level kept within 3mm.

In North Amarica, foundries are achieving savings of up to 2.25 kg of metal per mould, an average rise in yield of five per cent, and production increases of 10 per cent or more. Selcom says that, in most cases, the system will pay for itself in less than a year.

#### Quick processing of images

INMOS, the UK-based semiconductor company, will introduce in the autumn a

i proc which the company says "opens the door to real-time processing of video images." Scanned images television, for example - that have to be eltered in some way are usually digitised because each pixel (picture element) can then be treat separalaly to obtain an overall effect. Medical Imaging, robot vision and satellite pictures are other examples. But the processing time can be unacceptable unless considerable computer power is brought to bear quickly. Tha new Inmos A110 chip

produces results which previously boxes of electronics carried out mora slowly or could not carry out at ell. It can perform 400m digital operations per second using 400,000 transistors on e chip measuring only 10mm by 8mm. In practice, this might mean

that e robot on e production line could identify an object and pick it up without stopping or slowing down operations. In hospitals, body Images could be anelysed very soon after some medical action has been taken.

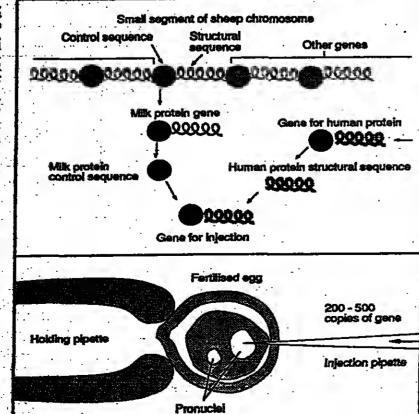
#### **Keeping tabs on** beer kegs

THE BREWING industry In the UK and Ireland hee been losing thousands of aluminium beer kegs ennually. The £50 kegs suffer various fates: they have been malted down in clandestine smelting plants; some end up on building sitas storing substances other than beer; others become props of one kind or another. The answer, according to Evets Computers of Derby, Is their product, Kegscan,

which is besed on e Fieldworker hand-held computer from immediate Business Systems of Milton Keynes. The computer is used with a "wand" to read bar code labels that identify the kegs. Tha labels on kegs going to e particular pub are scanned into the computer and scanned again when they ere collected.

The system should ellow the site of disappearances to be pin-pointed and ease matters for the police, who ere trying to stem e £20m annual loss in the UK, representing up to 4 per cent of the kegs in use.

CONTACIS: Selcom: Sweden, 31 . 447440. Inmos: UK, 0454 616615. Evels Computers: UK, 0332 383



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## UK COMPANY NEWS

**P&O increases Taylor Woodrow** stake from 6% to 8.5%

P&O, the shipping and property group, has increased its holding in Taylor Woodrow from 6 to 8.5 per cent. The construction company made the announcement last night, too late for the

news to have any impact on its share price. The announcement came e week after the two companies disclosed the 6 per cent stake in a joint statement which also said that they were considering possible joint ventures. P&O said at the time that it regarded the bolding as a "trade

investment in a company with a number of similar interests." Sir Frank Gibh, Taylor Woodrow's chairman and chief executive, said that he welcomed P&O as a shareholder.

Despite these assurances, Taylor Woodrow's shares surged by 71p to 509p on speculation that P&O was attempting to negotiate an agreed hid.

P&O said last night that its intentions had not changed since last week, although it declined to say what, if any , ceiling there was for its holding. Taylor Woodrow was unavailable for comment.

Group.

#### Bonded Laminates

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Bonded Laminates. USM-quoted wood and veneer laminates manufacturer, yesterday released the details of its £3.5m plecing and open offer of new convertible preference shares aunounced on Monday. The 100p convertibles will be

offered to ordinary shareholders on a two-for-five basis. They are convertible from July 1991 at 132p, e 20 per cent pre-mium over yesterday's share price of 110p. Directors bolding 68 per cent

of the shares will forego their clawback rights in favour of institutional investors.

#### Gandalf moves over

Gandalf Technologies, the Canadian computer network-ing company, yesterday abandoned its seven-month fight for control of CASE, the UK networking company which on working company which on Tuesday recommended an \$80m bid from Dowty, the engi-neering and electronics group. Gandalf has sold its 6.09m shares in CASE to Dowty at 123p each, the value of Dowty's part-casb bid alternative. The holding represents just over 9.5 per cent of CASE's share capi-

tal. Together with the 1.28m shares picked up in the market on Tuesday, Dowty now holds 11.5 per cent of CASE's equity. Gandalf, which approached CASE in January, said it would allow its offer to lapse on the next closing date. The move failed to astonish the City yesterday: Gandalf is a smaller company than CASE, which is itself dwarfed by the Dowty

#### Chloride departure

Sir Michael Edwardes is to step down as non-executive cbairman of Chloride Group, manufacturer of lead batteries and power supplies. At the annual general meet

ing yesterday he said: "I now believe that after a long association with Chloride I will be eble to leave the company in the capable hands of a strong board and executive team." Sir Michael was chairman and chief executive between

#### **DIVIDENDS ANNOUNCED**

Current payment	Date of payment	Corres - ponding dividend	Totai for year	Total Jast year
3.6	-	3.4	-	9.2
2	-	1.17	-	3.17
0.96	Nov 11	0.6	•	2,16
	_	2.1	4.5	3.6
1	Sept 1	1	-	2.6
		2.68	4.5	4
6	Sept 29		6.6	6.5
2.54				3.75
	-			6*
	Oct 3			6.2
			-	23
2.57			3.75	3*
1			1	0,4
ż	Sept 12			4.6
			7	5.25
6.	040			9.57
			0.01	3.8
2.611	00 21		3.05	3.13
	001 31			nll
	payment 3.6 2 0.96 2.5 1 3 6 2.5 4.75† 4.85 9.5† 2.5† 1 2 4.9 6 ●	payment         payment           3.6         -           2         -           0.96         Nov 11           2.5         -           1         Sept 1           3         -           6         Sept 29           2.5⊕         Oct 6           4.75†         -           4.85         Oct 3           1         -           2         Sept 12           4.9         Oct 3           1         -           2         Sept 12           4.9         Oct 3           6⊕         -           1.31†         -           2.6tx         Oct 31	Current payment         Date of payment         ponding dividend           3.6         -         3.4           2         -         1.17           0.96         Nov 11         0.6           2.5         -         2.1           1         Sept 1         1           3         -         2.68           6         Sept 29         4.5           2.54         Oct 6         2.25           4.751         -         4'           4.855         Oct 3         4.65           9.51         Oct 10         11.511           2.53         Oct 3         3.5           6         Sept 12         1.6           4.9         Oct 3         3.5           6         -         6           1.311         -         1.05           2.61X         Oct 31         2.2	Current payment         Date of payment         ponding dividend         for year           3.6         -         3.4         -           2         -         1.17         -           0.96         Nov 11         0.6         -           2.5         -         2.1         4.5           1         Sept 1         1         -           3         -         2.68         4.5           6         Sept 29         4.5         6.6           2.54         Oct 6         2.25         4           4.751         -         4*         6.75           4.85         Oct 3         4.65         7.1           9.51         Oct 10         11.511         -           2.53         Oct 3         2         3.75           1         -         0.4         1           2         Sept 12         1.6         -           4.9         Oct 3         3.5         7           6         -         6         9.57           1.311         -         1,05         -           2.6itt         Oct 31         2.2         3.95

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue. fOn capital increased by rights and/or ecquisition issues. §USM stock. §SUnquoted stock. Third market. #Carries scrip alternative. Airish currency throughout. #Equiv-elent to 8.6p adjusted for rights issue. Gross.

#### **BOARD MEETINGS**

awing companies have patilled dates FUTURE DATES

## Fears over LDC debt cloud results that leap back into the black Midland's £313m 'best for years'

## **By David Barchard**

MIDLAND BANK, the third largest of the four major British cleerers, yesterday annonnced pre-tax profits of £313m for the six months to the end of June, compared with losses of £665m in the same

period of 1987. The results were hailed in the City as the best reported by Midland for several years. However it is difficult to compare them directly with last year's figures as Midland has had a £700m rights issue and has sold two subsidiaries result of currency movements. There were new specific pro-visions of 290m, of which 226m Clydesdale and Northern Bank in the meantime. Sir Kit McMahon, Midland visions of 190m, of which 136m were antomatically triggered under the 9-day rule by the failure of Argentina to make chairman and chief executive, described the results as "very satisfactory".

However, there were also fears about Midland's continu-ing burden of LDC (less devel-30 this year. The position of Midland's 1.Sbn outstandings in Brazil is

## ANALYSIS OF PRE-TAX PROFIT/LOSS

•	6 months ended June 30 1988 (£m)	6 months ended June 30 1987 (£m)
UK Banking Sector		
UK Banking	228	183
Forward Trust Group	29	28
	257	211
Midland Montagu		
Investment Banking	63 3	2 12
Global Banking (Inc LDC)		12
	66	14
		_
Thomas Cook Group	(10)	(7)
Clydesdale Bank, Northern Bank		
and Northern Bank (Ireland)	-	33
Pre-tax profit before exceptional item	313	251
Exceptional Item	-	(916)
Pre-tax profit/(loss)	313	(665)

oped country) debt. Mr Patrick Frazer, an analyst at Morgan Grenfell, said: "The results show that Midland still has currently thought to be improving and the bank hopes millstones of LDC debt that will not go away hanging around its neck."

Total deht provisions were £127m compared to £131m a year ago, when Midland also had to make exceptional provi-sions of £916m. However Midhouse. land's total LDC debt exposure has risen from £4.1bn to £4.5bn increase in the earnings of over the past 12 months, as a

interest payments due on June £3m (£12m).

Total group assets rose by 5.5 per cent to £53.9bn (£51.1bn) and total advances rose to 537.9bn (577.3bn) 37.8bn (£37.3bn). Ratios announced by the group confirmed that it had

Midland Bank Share price relative to the FT-A All-Share index

105 95 90 Jul 87 Jan 1988 Jul

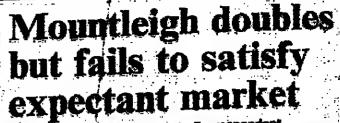
hs equity/total assets ratio is now 5.2 per cent compared with 3 a year ago and 5.5 per cent on December 31 1987.

The post-tax return on aver-age total assets was 1.21 (0.69) per cent.

per cent. Sir Kit indicated that Mid-land was planning to publish its risk/assets ratio, as soon as Bank of England guidelines had been published. He said that these would be around 11

that these would be around 11 per cent. There was a retained profit of 2173m (loss of 5521m). Earn-ings per share were 32,8p (losses of 168.8p, after adjust-ment for 1987's rights issue) and an interim dividend of 3p per share was declared, 10 per cent ahead of last time. This is the first time in three years that Midland has increased its dividend. dividend.

See Lex



By Paul Cheeseright, Property Correspondent

واری انتخاب در این در . محکولات کارند با والسه این از این

MOUNTLEIGH, the most assessive of the British prop-erty trading groups, yesterday immounced more than doubled pre-tax profits but failed to sat-isfy a market which had been

infy a market which have been exhecting more. The shares, which have been out of favour since the equity market crash of last October, slipped 15p and the results to chose at 1609. White companys with a fully-diluted not assut value per share of 216.5p, against 772.5p at the end of the 1996-97 finan-eial year. "This increase." said

share of 215.52, spanses 274.53 at the end of the 1986-87 inan-cial year. "This increase," said Mr Tony Cleage, the chalaman, "is about the same as Land Securities and is after tax, it takes no account of proputies held for trading". Pre-tax profits for the year to April 30 were £70.72m (£33.57m) and led to diluted earnings per share of 18.91p, increased from 17.74p. The final dividend is 2.5p, which brings payments for the year to 3.75p, or 25 per cant more than far 1965.87. The higher pre-tax profits eame from a surge in trading thrower which ross to state from a surge in trading to state state of investment properties, taken below the line, were £31.73m (£25.61m). But Mr Cleage has foreshad-owed a gradual change in emphasis through a greatar concentration on development, Mountleigh's higgest single

concentration on development, Mountleigh's biggest single development is the Paternoster Square project, adjacent to St Paul's Gathedral In the Gity of Lendon. Full planning parmis-sion for redevelopment of the

## Whitecroft unveils agreed offer for Trent Holdings

## By David Waller

HARD ON THE beels of last week's ESAm disposal of its builders' merchanis division, whitegroft yesterday unwelled an agreed other for Trept Hole-ings, a maker of specialist doors and fittings. The shave and cash offer from the industrial holdings company values Thent at about E125m, or 187p a share, com-pared with yesterday's opening price of 182p and 165p at Mon-day's close.

day's close. The move is in line with Whitecroft's strategy of expanding its interests in the manufacturing side Trent yesterday reported

pre-ter profits , of :2720,000 .....

furnover of \$8.9m in the year to the end of March. It also factors architectural frommon-gery and owns an Investment

Whitecroft more than 50 per cent of the smaller company.



higher offer and we were not prepared to go any further." He said that the decision to withdraw had not been infin-enced by Alexon's acquisition £41m offer decided to recommend the offer from Alexon. Yesterday Berkertex, advised by S G Warburg, announced that it will not extend its offer past the next closing date on Priday. Mr Barry Waterman, finance director, said: "We WCRS surges 80% to £18.3m

included for the full period. He mentioned the 50 per cent stake in the French media-

state in the riench media-buyer, GGMD, acquired at the end of April, and September's share swap with Eurocom to acquire a 49 per cent stake in Groupe Belier, the French advertising and communica-

of Richarvey, the Hong Kong clothing importer that sources Dash, the most successful busi-ness within E & G. Alexon, advised by J Henry Schroder

that some interest payments will he resumed during the 115 year. Profits on domestic banking were £228m compared to £188m a year ago, and there was a further £29m (£28m) profit from Forward Trust Group, Midland Group's France 110

Midland Group's finance 100 There was a spectacular

increase in the earnings of Midland Montagu, the bank's investment arm, which earned £33m (£2m), helped by the elim-ination of £16m of losses from the closure of equity market making. International banking operations made a profit of 50m (£19m)

Thomas Cook made losses of film (losses f7m), which Sir Kit put down to spending on improved management and the opening of new outlets for trad-

The bank's operating expenses fell to £944m (£951m) and its cost/income ratio dropped from 75 per cent in the second half of last year to 69.5 per cent, though this was partly attributable to the

ecome stronger over the past ear, but suggested that it was not quite as strong as it had been at the start of the year.

made an offer, someone made a

Berkertex retreats from Ellis bid battle

#### By Alice Rawsthorn

BERKERTEX has beaten a only a week before, after more retreat from the bid battle for Ellis & Goldstein, its fellow womenswear gronp. It has opted instead to bring forward than a month of resistance. accepted Berkertex's revised its proposed flotation to spring

next year. Last week Alexon, the clothing company, unveiled a £44m counter-bid against Berkertex. The E & G board which had

By Andrew Hill WCRS GROUP, the advertising agency, increased pre-tax prof-its by over 80 per cent to £18.3m in the year to April 30, against £10.1m in 1986.87. Once again, advertising was

£1.09m (£317.000) and direct

the main contributor to profits with £13m (£8.09m) before tax, but the sponsorship division more than trebled profits to

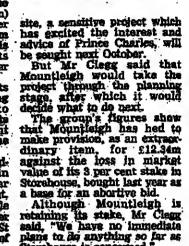
tion business. Last month, WCRS merged

boosting profits by about 25 per cent. Saunders suffered from the loss of the Hamleys toyshop design contract, but the division as a whole should recover in 1998-89. Pre-tax prof-its are forecast at about £36m. On that basis the shares, which fell 2p yesterday to 244p, are on a fully-diluted prospec-tive multiple of about 8.5, a

Wagg, announced the acquisi-tion of Richarvey on the same day as unveiling its offer for E

& G. Mr Alan Philpott, E & G's chairman, said that he was relieved to be dealing "with one bidder, rather than two. If we we have to lose our inde-

we we have to lose our inde-pendence, and it is plain that we do, then the association with Alexon makes a great deal of sense." E & G is advised by Kleinwort Benson. Berkertex, which was formed two years ago as a manage-ment buy-out from the Ray-beck retail group, had origi-nally plained to go public flus spring. It decided to postpome the flotation for two years when it mounted the griginal when it mounted the griginal offer for E & C. Mr Waterman said that it has now decided to bring the flotation forward again to early spring next year.



Mr Tony Clegg; No plans

regarding Storehout

plans to do anything so far as Storehouse is concerned. See Lex

.cash neutral when it made its

cash neutral when it made its disposal last week, it is now left with about \$28m to be used on further acquisitions. Terms for Treat sharehold-ers are 5 new. Whitecroft shares and £16.15 in cash for every 17 Trent shares held. Whitecroft shares fell 10p to 313p yesterday, Trent shares were unchanged at 182p. Whitecroft bought 15 per cent of Trent in the market yesterday. Added to accep-tanges from holders of 38 per cent of the shares, this gives Whitecroft more than 50 per

The following companies have notified datases prove of considering with head for the properties of considering of finals and the sub-the provements of the control of the provements of the control of the provements of the sub-the provements of the sub-the provements of the control of the sub-the provements of the control of the provements of the control of the provements of the control of the provement of the provement of the control of the proveme			By Nikki Tait A NEW American stakebuilder has emerged at Cambrian and General Securities, the former UK investment trust vehicle of Mr Ivan Boesky, the convicted US insider trader. Baupost Group, which is based in Cambridge, Massachu- setts, announced yesterday that it acquired 235m ordinary shares or 5.15 per cent. Yester- day, the company said that it had bought the stakes through the market, rather than as a block stake. Baupost describes itself as a yalue-oriented investment group and said it had made the investment because it believed that the shares were selling at a substantial discount to their real worth. Any further pur-	CORRECTION Whitbread Whitbread & Company's A shares, which comprise most of the group's ordinary shares, are limited voting shares, not non-voting shares as reported in yesterday's edition. <b>Stake for</b> The fund management group said that it managed funds for a limited number of private individuals and controlled total assets in excess of \$200m (2117,84m). Since the downfall of Mr. Boesky, a number of new shareholders have appeared at Cambrian. Heine Securities, a New York-based mutual fund, group, emerged with 9 per cent of the capital shares and 2 per cent of the erdinary over a year age. In January this year, Mr Lance Lessman - who at one stage worked for Mr Boesky - disclosed a 5.04 per cent interest in the ordinary shares. Testerday, he said he was still a firm holder of the was still a firm holder of the was still a firm holder of the	gery and owns an investment property in Berkshire. This is Whitecroft's most substantial acquisition on the building products side. It recently bought a uPVC win- dow company and Wellcote, which makes tartured coatings for home improvement. The consideration for Trent is split evenly between shares and cash. As Whitecroft was <b>USS groups</b> however, is the US Securities and Exchange Commission which holds 12.68 per cent of the ardinary shares and 54.6 per cent of the capital shares - stock which Mr Boesky handed over to settle charges of insider trading with the US Securities and Exchange Com- mission in 1986. SG Warburg, Cambrian's merchant bank adviser, was imable to comment en yester- day's announcement. At the time of the interim figures in May, the company indicated that it was still facing complex litigation. Since Mr Boesky's departure, investment manage- ment has switched to Esser Investment Management in the US and CS Investment Manage	A FINANCIAL TIMES CONFERENCE CONF	
RIT CAPITAL	PARTINERS PIC		chases would depend on price.	The largest shareholder,	ment in the UK.	Auly 20, 1908, London By Calbank, N.A. (CDS) Dans L Acyas Bank	
	TTAL						
<ul> <li>in 2.5 per cent. Convertible</li> <li>RiT Capital Partners plc ("the Company") is an investment to specialise in investments held for the medium and longer intends to conduct its affairs so that It will qualify for appr 1988.</li> <li>Approximately 60 per cent. of the Ordinary Shares and of ("the Convertible Stock") of the Company are being dis Provision has also been made for holders of warrants in Company.</li> </ul>	t term with a view to achieving capit oval as an investment trust for tax f the 2.5 per cent. Convertible Uns tributed for no consideration to t I JRH to participate in the distribu-	al growth. The Company purposes from 7 August, ecured Loan Stock 2000 he shareholders of JRH. mon of securities in the	thin tomo share pr	xt best og to rrow's ice page.	TUTTOVER	ELOCK OPA PLC RS AND SHOPFITTERS Y RESULTS 1988 S3 Weeks Vear Ended Ended 22 April 17 April 1988 1967 1988 1967 1988 1967	4
	spected that such admission will b relating to the Company and its st the listing particulars may be obtain cluding 1 August, 1988 from the Ca 1 August, 1988 from- urg & Co. Ltd., Caze Iliam Street, 12 T	ecome effective, and that ubsidiaries is available in ed during usual business	Leading shares A-1 CITY BULL	12 40/41 K/L-Z respectively. CALL DDDD Ms off-peek, 8 seconds peek inc. VAY. minory 8 minutes 800 ms 200 ms Mander Friday.	Extraordinary Ch Earnings per Sha Dividend per Sha GGThe market for s to be buoyent and well placed to make T.S. CORREAN 27.7.88	arge 4,004 \$,155 up 26,9% re 21.89p 16.83p up 30.1% re 8,60p 6.50p up 32.3% shopfitting and related work continues the Directors believe that the Group is a turther progress in the current year, ??	

Maxwell outbid

buy-out at Argus

Although the terms of Mr

Although the terms of Mr Maxwell's offer have now for-mally lapsed, the action is probably part of an elaborate poker game to try to get con-trol of more than 300 titles ranging from True Romances and European Water and Sew-age to Personal Computing Today and the Surrey Mirror. It is likely that Mr Maxwell will return to the fray with a

will return to the fray with a

The bid was made in Mr Maxwell's name but he also

represented a loose consortium which included Portsmouth and Sunderland Newspapers. Irish Independent Newspapers.

new bid.

lisher.

Commission

by possible

By Raymond Snoddy

MR ROBERT MAXWELL.

publisher of Mirror Group Newspapers, yesterday with-drew a £170m offer for the

Argus Press Group, the newspa-per and magazine publishing division of BET, the industrial

services company. Mr Maxwell said yesterday that his offer had lapsed after he had been advised by BRT and Morgan Stanley Interna-

tional, its adviser, that other higher offers had been received for the company's publishing

BET declined to say last

BET declined to say last night who had made the other offers or what they were worth. However one offer from a management buy-out team is believed to be on the table and is by implication higher than Mr Maxwell's. The buy-out team is led by Mr George Fowkes, chief executive of Argus' US and UK business magazines division, together

magazines division, together

with Mr Paul Dowson, group finance director, and Mr Kim-ble Earle, chief executive of

Argus Newspapers. However BET said last night

that the company was in final

interests

## **UK COMPANY NEWS**

## Specialist wool textiles and the acquired wool dyer push up profits and sales

## chemicals Allied Textile moves up 28% to £4.6m at half-time By Alice Rawsthorn

Mackay.

ALLIED TEXTILE Companies yesterday amounced a 25 per cent increase in pre-tax profits in the first half to March 31 from \$3.6m to \$4.8m on sales

The group is, however, intent on staging more strateup by 70 per cent from £29.4m to £50m. gic acquisitions within specialist textiles. Its cash pile, which stood at more than 220m at the Mr Russell Smith, chairman, said the group'e core interests in specialist wool tertiles had improved profitability during stood at more than 22am at the year and, increased further during the first half. Allied has recently bought Gordon & Fair-clough, a coater of man-made fabrics, and Sutcliffe Silks, which makes allk lining for percenter.

the year and Bulmer & Lumb, the wool top dyer acquired last year, was showing the benefits of reorganisation and investpackaging. The £3.5m investment pro-gramme at Bulmer & Lumb is

Allied has recently increased Ameri has recently increased its holding in High Mackay, the carpet company, to more than 29 per cent. It has sup-plied Mackay with carpet yarn from its spinning plants since the late 1960s. Mr Russell not yet completed. Neverthe-less the benefits of reorganisa-tion and modernisation are filtering through. Most of the

officer in May. News of the appointment

came as TSG unveiled a 22.4

per cent drop in net asset value

during 1987-88. By the March 31

rise in wool prices during the year. Mr Russell Smith said Smith declined to comment on whether it intends to bid for that so far the higher wool price had not affected the pat-

The core specialist textile businesses all performed well, he said, and sported a 20 per cent increase in profits and. more modest sales growth.

more modest sales growth. Rarnings per share rose to 12.1p (10.5p). The board has increased the interim dividend to 3.2p (3.4p). Mr Russell Smith described the present level of orders as "healthy" and the strong per-formance had continued into the third graver 110

100 the third quarter.

· COMMENT It is perhaps a sign of the times that the same sound, steady

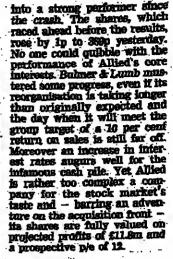
Share price relative to the FT-AAI-Share index 

Allied Textiles

Jur87

138

120



21

## qualities which made Allied Textile one of the more sing-gish textile stocks in the buil market, should have turned it increase in sales came from Bulmer, reflecting the rapid Transcontinental Services appoints new stockbroker

year end, net assets per share stood at 286p fully dilmted. A figure of 266p a share on November 13 had already been published. During the year, TSG has

been subject to a good deal of npheaval. Mr Stanley Cohen stepped down as chief execu-tive officer in November, while Banner Industries, a US sup-Benner manastres, a co sup-plier of aircraft parts, built up a substantial minority holding. Although this exceeded 30 per cent, the company was not

obliged to make a full offer because TSG is registered in the Netherland Antilles. Mr de Rothschild took over as chief executive officer, and in January, an agreement with Banner appeared to be reached under which it agreed to restrict its voting rights to 29.99 per cent. However, Mr de 29.99 per cent. However, Mr de Rothschild's departure was announced in mid-May, along with news that TSG had invested about \$20m in Banner stock. Today, the holding rep-

resents about 15 per cent of TSG's pet assets.

Yesterday's figures from. TSG showed a fall in pre-tax profits during 1987-88 from \$5.2m to £2.13m. This was due largely to an increase in administration expenses from 22.7m to 26.46m. According to TSG's current management, the bulk of the increase derived from the "premature termination of service contracts," particularly in respect of Mr Cohen.

Jan 1988 Jul

It did not disclose the precise sum paid to Mr Cohen, but said this explained "the bulk" of the difference between the two figures for administration errores

TSG added that it has made TSG sedee that it has made provisions of about \$20m in respect of three categories of investments - its holding in Revco, the US drag store chain, where it has provided investments in real estate, and equity stakes in a number of venture capital situations.

## David S Smith advances 27% to £30.7m in year

#### By Maggle Urry

DAVID S SMITH, Britain's largest papermaker and a major packaging group, had "another exceptional year" by Mr Sandy Stratton and Mr according to Mr Richard Brew-John Bence respectively. Fur-£30.7m.

to 359p yesterday, having moved up 8p the previous day in expectation of good results.

Group sales rose by a third to £268.3m, and operating prof-its were 35 per cent higher at £32.5m. Operating margins were slightly ahead at 12 per cent The motion increase were cent. The pre-tax increase was

dampened by a swing on inter-est payable and investment income from a net gain of £355,000 to a debit of £1.6m.

At the year end debt had risen to 28.6 per cent of share-holders' funds of £88.2m, Mr Brewster said, because of acquisitions made for cash, cotailing about Liam. Some of these, such as the Keinsley mill bought in Febru-ary this year, had made practi-cally no contribution to profits in the year. Most of the workt

The business had been John Bence respectively. Fur-ther acquisitions were likely to ster, its chief executive. In the period to April 30 pre-tax prof-its rose by 26.5 per cent to media activities, with the pur-30.7m, chase of a half share in Focus, However, the shares fell 7p a magazine and exhibitions group, in March.

After a 32 per cent tax charge, earnings per share rose 26.3 per cent to 30.3p and a 40 per cent increase in the final dividend gives a total for the year of 7p, up a third.

the spending will pay off. Meanwhile, demand is strong, price increases seem to be

passing through and at last the group should have no capacity

constraints. A forecast of £35m

#### O COMMENT

During the five years Mr Brewster has been in charge at David S Smith profit growth has been dramatic. The first half of the current year might therefore be the first time the City's confidence in him has

organization.

A perfect flight starts with a perfect



P. = 107 p3 1 . . . .



## its pro-tax result slump from a profit of £5.02m in 1986 to a £970,000 loss last year, were unchanged yesterday at 3712p. IT Matter, e typesetting and publishing group, and Mr Ray Tindle, a local newspaper pub-The aim would be that most

of the local newspaper inter-ests would be sold on to the consortium members to try to avoid an automatic reference to the Monopolies and Mergers paid on completion. Spark-print, based in Northallerton, Yorkahire, supplies self-adhe-Several others groups, such as Reed International and sive labels. EMAP, have expressed interest

that the company was in final in parts of Argus Press, but negotiations with a number of BET has said it wants to sell bidders and hoped to sign a the business as e single pack-£160,000.

Elswick purchase TRANSCONTINENTAL Elswick has completed its purchase of Sparkprint Indus-trial Electronics for £380,000 cash, of which £200,000 was TRANSCONTINENTAL Services Group, investment holding company, has appointed Sitcat and Aithen as its new stockbroker, writes Nikki Talt. Kitcat replaces Cazenove and BZW, which stepped down following the resignation of Mr Nathaniel de Rothschild as chief executive

In the year to June 30 1987, profits were £147,000 on sales of £3.5m. But in the following 11 months, sales fell slightly and there was a loss of

Kalon sells

Kalon, the manufacturer of

decorative paints, industrial varnishes and coatings, is sell-ing its Kirkless chemical divi-

sion for £9.12m in cash. The

sion for £9.12m in cash. The Rickless company makes and sells polymers which are pri-marily used in the manufac-ture of emulsion paint. In the last financial year, Kirkless contributed an oper-ating profit of £871,000 on furnover of £11.2m; the net pains of the users sold

value of the assets sold amounted to £2.82m. Proceeds

from the sale will be used to

diture programme, Shares in Kalon, which saw

help finance its capital expen-

division

By David Waller

shut down for a partial rebuild. Similarly the fraits of investment at Abbey will not come through in the short rise had come through organic growth. During the year £19.4m had term. However, there is little doubt that in the longer term

been invested in fixed assets, funded from cash flow. The largest single investment was of 16m at Abbey Corrugated, where the corrugating operations were being grouped on one site and a new 2.5 metre continuous-run corrugator was commissioned in May. Mr Brewster said demand

\$.

for the year is not demanding. A prospective pie of 10.6 may prevent the shares from out-performing for a while, but the faithful should also be patient. was strong from all types of customer, particularly for printed boxes.

English and Fleming Fledgeling Caledonian

earnings advance Net asset value at Fleming Net asset value per £1 ordinary share of English and Caledo-nian Investment at June 30 Fledgeling Investment Trust stood at 253.5p at the end of the six months to June 30. The fig-1968 pared with 278p at the same time last year. nre compares with 202.7p as at December 31 1987, and 292.4p at the end of the comparable six months. Earnings advanced to 1.439, against 0.92p in first haif last time. Gross revenue amounted to

£383.767 (£283.769) and management expenses and interest payable reduced this to 1262,529 (1170,765) before the

is maintained at 1p.

nher of TSA

1,529 (£170,765) before tax of \$75 875 (\$54 813). The dividend

The results cover the nine months from October 1 1987 to June 30 1988. There was a pet loss before tax of £62,817 (profit £106,242 for year) and after tax of £15,912 (£32,429) the loss per share worked through at 1.78p (earnings per share 1.74p). The final dividend is unchanged at 1.5p.

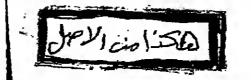
stood at 253p, this com-

## SPONSORED SECURITIES

i igh					Gross	Yield	
	Low	Conspany	Price	Change	elle (p)		P/f
230	185	Ass. Brit. Ind. Ordinary	230	0	8,7	3.8	8.6
230	186	Ast. Brit. Ind. CULS	230	Ô.	10.0	43	
40	25	Antitage and Rhodes	36	+2	-		
57	40	888 Design group (USM1	42	-1	21	5.0	6.5
165	155	Barton Group	164m	0	33	2.0	23.3
115	100	Bardon Group Cost, Pref.	115	0	6.7	5.8	
		Bray Technologies	138	0	5.2	3.8	10.2
214	100	Brenhill Cont. Pref	216	0	11.0	9,6	
289	246	CCL Group Ordinary	296	0	12.3	4.4	42
154	124	CCL Group 11% Comr. Pref	154ml	0	14.7	95	
151	129	Carbo Pic GED	147	0	61	41	7.2
112	100	Carbo 7.5% Pref (SE)	109xd	0	10.3	9.4	
285	147	George Blair		+1	3.7	13	7.9
94		his Group	94	0			
118		Jackson Group (SE)	112ml	0	3.4	3.0	12.4
340		Multihouse NV (AmstSE)	320	+3	-	-	
107	40	Robert Jenkins	107	0	75		- 24
125		Scrittions	425	0	8.0		38.6
232	194	Torday & Carlisle	232.0	+1	7.7	3.3	7,7
96		Trevian Holdings (USM)	85	0	2,7	3.2	9.1
113	100	Unistrut Europe Cont Pref	113	0	8.D	71	
293	203	W.S Yester	291	+2	16.2	5.6	7.9

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## Saga boosts interim on strong bookings growth

#### **By Clare Pearson**

22

SAGA HOLIDAYS yesterday increased its interim dividend by 25 per cent as it reported "satisfactory" growth through-out its core business of operating tours for the over-60s, and forward bookings for the sec-ond half "significantly stronger" than last year.

Mr Roger de Haan, chair-man, added that the other activities, comprising publish-ing and financial services aimed at the retired, should make a useful contribution to profits this year.

In the six months to the end of April, the seasonal pre-tax operating loss was slightly lower at £1.3m (£1.49m).

In local currency terms, sales of the dominant UK tour operator side increased by 10 per cent, those of the US subsidiary by 13 per cent, and those of the fledgeling Austraian operation by 24 per cent.

**Oryx Gold** 

The UK tour operating busi-ness, which stopped offering its holidays through travel agents last September, was said to be enjoying the benefits of more efficient systems in its new premises

entered into a joint marketing venture with TSB Group Group turnover came out at £27.41m (£26.13m). The loss per share was 4.59p (5.41p). The interim dividend is 2p (1.6p). The sale of Saga's old beadquarters in June will show as an extraordinary £3m gain in

the full-year accounts. Saga is changing its year end to January 31. There will be a statement to cover the period to end-October.

Interim report for the six months ended 30 June 1988

#### **O COMMENT**

**Holdings Limited** 

Share capital: Stated - 587,500,100 ordinary shares of no par value Issued - 165,000,200 ordinary shares of no par value

out

## Automated Security up 23%

AUTOMATED Security (Holdings), burgiar alarm and electronic security system supplier, maintained its steady advance in the six months to May 31 with pre-tax profits 23 per cent ahead to £7.1m on turnover up from £29m to £34.6m.

Mr Tom Buffet, executive chairman, said the perfor-mance was achieved despite reorganisation of the trading network at subsidiary, Modern Alarms. Modern Alarms is the UK's

and rentals account for more than 75 per cent of group prof-its. Its uetwork of 115,000 installed systems give it 16 per cent of the market, double that of Chubb its nearest rival.

Alarms had maintained mar-ket share and enjoyed pre-tax growth of 15 to 20 per cent. Of the other divisions, electronic article surveillance achieved record trading and order intake performance, while close circuit television

tronic Rentals Group, has been appointed group financial director.

financial year when profits were hit by taxation in Austra-lia which could not then be offset with losses. The final dividend of 2.5p (2.1p) makes **Omnitech reduces losses to £91,000** The lack of research and development costs in the six months to January 31, com-pared with £144,000 last time, helped Omnitech, USM-quoted designer and developer of pack-aging machines, reduce its losses before tax from £187,000

NEWS DIGEST

Interest payable was cut to £345,000 (£489,000), and the

previous year also carried an

The directors expressed

confidence that the current year would again show good results. The continuing

regramme of plant investment had contributed to the improved performance. Regarding the vacated Slack Sellars' site, it appeared that

Tesco would not proceed with its scheme following further consideration of the planning

refusal. Other prospects for the sale were being pursued.

exceptional charge of £115.000.

interest payable took a first-time £44,000 and after virtually static administration costs of £47,000, losses per 1p share were cut from 1.04p to 0.51p. were cut from L04p to 0.51p. The directors stated that it would be necessary to expand the group's facilities in order to meet the expected growth in to £91,000 in the half-year.

**GIBBON LYONS** 

Ink maker in

59% increase

a 59 per cent increase in pre-tax profits from £544,058 to £863,868 at the year-ended

manufacturer and supplier of printing inks more than

doubled its turnover to £10.2m

(£4.43m). Eatnings worked through at 11.6p (8.8p), and the final dividend is 3p for a

March 31 1988.

The USM-quoted

A strong performance at Gibbon Lyons Group brought

hifted the fully diluted net asset the London Shep subsidiary, value per share to 267.7p, active in East Anglia, had a which was \$3.5p higher than a record year building more than cise of options, were 11.8p. up from 10.5p the previous year. Shareholders will receive a final dividend of 4.85p, making total payments for 1987-88 of 7.1p against 6.2p in 1986-87. year before.

200 homes, it expects to build up to 250 this year. Rental income was boostad by the completion of shopping The rise in property values was uniform across the coun-try, except in central London where office values rose 40 per by the completion of shopping centre, parade and arcade refurbishments, notably in Sale, Huddenfield and Dewe-bury, During the current year, where onlice values rose to get cant. The overall rise in asset values was in line with those of other property investment companies which recently declared results. when the company expects to

maintain its current progress, further refurbishments will take place in contres like Leeds, Uttoxeter and Bognor

Earnings were helped by a rise in the contribution from housebuilding. Trand Housing. Regis.

orders and, as a first stage

Omnitech has agreed terms in principal to acquire Wildsmith,

its main electronics and soft

ware sub-contractor. The ini-tial consideration will be the

issue of 300,000 ordinary shares and thereafter, further shares up to a total value of £200,000,

,

## Acquisitions help Electron to £2.7m

Boost from completed developments and housebuilding

Over the past financial year

the company has been able to ride on the back of the retail

property boom and tarn it to its advantage by the upgrading of properties. This factor, allied

to the completion and letting of two office buildings, one on the City of London fringe and

the other in Bishop's Stortford,

London Shop pushes on towards £11m

#### By Clare Pearson

A STREAM of acquisitions helped Electron House, com-puter products and electronic components distributor, nearly treble pre-tax profits from £945,000 to £2.7m in the year to end May. The company plans to exchange its USM quotation for a fall listing in two months

By Paul Chessericht, Property Correspondent

LONDON SHOP, which has three quarters of its interests

in retail property, yesterday announced a 29.2 per cent increase in pre-tar profits and

a 25 per cent increase in net

assets per share. But the fig-

ures left the market unmoved

as the shares closed unchanged

Earnings per share recovered to 12.75p, after plummet-ting to 1.65p in the previous

Against this, he said tour puter products might be helped by the decision last week by MBS, the big UK-based per-sonal computer dealer, to close its wholesale business. as a proportion of sales. But During the year, Electron made four acquisitions for cash, two in the UK and two in the operating profit margin rose by half a per cent to 6.2

Anstralasia. Since the year-end, it has bought HB Elec-tronics, a British passive com-Mr Robert Leigh, chairman, said order books were now at record levels, but warned that market conditions would probponents distributor. abit not be so favourable in the second half, as supply in the semi-conductor market was expected to exceed demand by Organic growth accounted for just under half of the rise in turnover from £30.54m to £56.94m.

Mr Leigh said computer products accounted for about a third of turnover, and about a quarter of profits.

in components, Pacesetter, the previously loss-making US company, made a profit of about £50,000, while Australasian companies were helped by acquisitions. The UK dis-tributors were said to be concentrating on improving technical expertise.

Net gearing now stands at 43 per cent, reduced from about 100 per cent by the financing of the HB acquisition.

## **Globe Investment**

At the end of the first quarter to June 30, net asset value of Globe Investment Trust had risen from 173.29p to 190.07p basic and from 170.62p to 187.05p fully diluted.

Profit before tax was unchanged at \$7,36m. After tax of £2.06m (£2.1m), earnings per share were again 1p.

#### UK ECONOMIC INDICATORS

ECONORIDE ACTIVITY- Indices of Industrial production, manufacturing output (1980-100); englectering orders (1980-190); retail sales volume (1980-100); retail sales value (1980-100);registered unemployment (axcluding school leav-way and unfilled vacuucies (000a). All seesonally adjusted.

•	- IndL prod.	bilg.	Eng.	Robali vol.	Ficture	Diagond	Vaca,
at atr.	111.0	106.1		125.4	156.0	3,073	210/
nd entr.	112.1	105.4		126.3	785.8	2,005	226.
d qtr.	113.8	111.2	. 92	131.4	171.8	2,827	241.
th gtr.	T15.0	112.6	92	133.4	270.8	2,658	267.
ecomber	115.1	1127	82	133.5	244.5	2,414	250.
it qtr.	14.4	112.8	-94	135.5	173.3	2,534	267.
YIBUR	115.4	1147	33	134.9	178.0	2.565	240.
bruary	113.1	111.5		135.3	1988.5	2.533	247.5
arch	THE	173.1		135.5	175.1	2,584	245.
priv	716.0	314.8		336.4	188.4	2,453	253.7
ay .	216.7	118.1		126.6	100.5	2,414	265.5
	· ·	••••		137.4		2,375	255.2
21 2	. Alson						

and the second second

6 months Quarter ended 30.06.88 R'000 ended 31.03.88 ended 30.06.88 R'000 R'000 3,071 1,555 878 3,949 1,555 878 950 29 4,626 1,592 19 5,504 2,542 48 2,914 680 3,015 680 (101) 2,335 (101) 2,234 HAVELOCK EUROPA 621,278 2,234 424,206 621,278 (101) 2,234 Shopfitter 623,512 424,105 623,512 55,975 50,000 55,975 rises to £4m 474,105 679,487 679,487 409,557 409,557 409,557 for the year 159,847 14,847 159,847 569,404 424,404 569,404 WITH THE market for 67,443 42,640 34,692 15,009 67,443 42,640 shopfitting and related refurbishment work remaining 44,847 15,741 44,847 buoyant throughout the 53 weeks ended April 22 1988, Havelock Europa increased its pre-tax profit from £3.16m

2,207

1,527

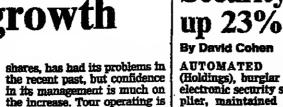
to £4m.

INCOME STATEMENT Income Interest received. Dividends received Financing costs Sundry expenditure. Income/(loss) before taxation... Income/(loss) after taxation **BALANCE SHEET** Capital employed Share capital .... Accumulated income/(loss) Long-term liability (note 1)\_ Employment of capita Fixed assets (note 2). Unlisted investments (note 3)\_ Total fixed assets and investments. Loan to St. Helena Net current assets Current assets. 150 15,591 Debtors. 44,847 44,847 Cash and deposits Current liabilities. 2,207 732 Creditors. 1,527 732 Provision for taxation. 680 -

looking good, but now that Saga has cottoned on to the potential gold mine inherent in its unique list of addresses, all In March, the company the interest is in the other activities. The TSB link is a very useful addition to this, and, though it is thought that the overall profits contribution of non-tour activities is likely to be no more than 10 per cent this year, it could rise substan-tially if they strike the right chords. In the 12 months to

end-October, pre-tax profits could more than match the record £4.1m achieved in 1985. The tightly-held shares do not appear cheap on a prospective p/e approaching 15, but are

Saga, which is bid-proof as the de Haan family and friends own about two-thirds of the worth tucking away to see how the non-tour activities spin



at 243p, The profit for the year to April 30 was £10.89m compared with £8.43m in 1986-87. Karnings per share, fully diluted after the conversion of convert-ible loan stocks and the exer-

**UK COMPANY NEWS** 

largest burglar alarm supplier

Mr Buffet said Modern

operations had grown rapidly. Earnings per share on a fully diluted basis increased 16 per cent to 6.6p (5.7p). This excluded the extraordinary

loss of £385,000 on the April sale to Scantronic of burglar alarm manufacturing subsidiary, ATG. An interim dividend of 0.96p

(0.8p) reduced dividend cover

from 7.1 to 6.8 times. The business, traditionally seasonal, picks up in the sec-oud half, and analysts expect a similar growth rate and pre-tax profits of about £19.5m. Mr Clive Campion, previ-ously finance director of Elec-

Provision for taxation	- 680	Turnover was £40.01m		the final dividend is 3p for a	1.1.1.1.1						
		(£35.88m). Earnings worked through at 21.89p (16.83p) and	ARNCLIFFE HLDGS	4.5p (4p) total. The company said sales in	OUTPUT-1	By market	sector; cor	nsumer god	ote, investi	ment goods,	imennediate sture, textiles, erage).
679,48	474,105 679,487	the final dividend is 6p, for	<b>Profits almost</b>	the first three months of the	foether and						
NOTES: L Long-term liability		an 8.6p (6.5p) total. The current year opened		year had exceeded forecast and its printer customers had		goods	invest.		Eng: M output m	ietel Text nig. etc	
A Eurodollar loan of \$25 million. The loan is fully	EE OTE	with a substantial order book	trebled halfway	also performed well. Outlook	1967 1st gtr. 2nd gtr.	107.4	100.1	117.4	102.6	114.5 10	3.3 17.5
covered. 55,97 Bridging finance pending the finalisation of the	- 55,975	and the level of new business booked was encouraging, the	Continued growth at Arncliffe	for the group looked extremely good.	3rd gtr.	130,1 112,4	104.8	118.6 118.6	104.4	114.5 10 120.8 19 120.9 10	3.3 17.5 4.8 20.0 7.0 19.8 5.5 17.8 6.0 18.8 4.6 14.2
Eurodollar loan.	50,000 -	directors stated.	Holdings, property developer and housebuilder, resulted in	Also announced was the	Ath atr. November	113.4	107.9	118.1	118.0 1	121.6 10 128.0 10	6.5 17.8 6.0 18.8 4.6 14.2
2. Fixed assets Mineral rights - Oryx Mine 1.357	1 757 1 267	Havelock has completed the acquisition of the shopfitting	pre-tax profits on the way to being trebled from £205,000	acquisition of E.T. Marier for £4.5m, being £1.5m cash and	December 1968	173.2	108.8	158.8			
Mineral rights – AST Ventures 408,200	1,357 1,357 408,200 408,200	activities of Boots for more than f9m.	to £561,000 for the half-year	2m shares - 1.84m will be	tet opr. 2nd opr	113.3	186.9				6.5 29.9
409,557	409.557 409.557		to April 30 1968. Tarnover rose 72 per cent	placed with institutions at 150p each. The freehold of its head	February	114.3 112.2 113.4 112.7	105.4 105.4 107.3	128.5 176.8 118.7	107 0 1	123.6 . 10	8.0 18.2 7.9 20,5 4.0 21.5 4.0 21.0 7.0 21.4
3. Unlisted investments 3.1 3.825,035 'A' cumulative preference shares		NEEPSEND	to £4.7m against £2.73m last	office will cost another £1m. Marler's profits were £529,000.	March April May	113.4 112.7	117.8	119.4	110.0	132.8 79	4.0 21.5
and 3,825,035 'B' cumulative preference		Engineer keeps	time. The interest charge was £132,000 (£72,000) and after tax	Maller o frontis were 2025,000.	June	115.5	116.2	120.1	114.0	139.0 10	7.0 21.4
shares, of R1 each, in St. Helena Gold Mines Limited – at directors' valuation 14,847	14,847 14,847		of £80,000 (£22,000) earnings	A LUCOPTION OF COM					÷		
3.2 Preference shares (investment of surplus funds	· · · · · · · · · · · · · · · · · · ·	recovery going	per 10p share worked through at 9.62p (3.67p).	AJ WORTHINGTON							
following rights issue) - at cost 145,000	- 145,000	The recovery at Neepsend continued in the year to March	Directors said forward sales	<b>Return to the</b>	EXTERMAL	TRADE- I	dices of e	soport and	Import vo	ume (1960-	= 100); visible (1980 = 100);
REMARKS: (i) The figures are unaudited.		31 1988 and pre-tax profit rose	were at record levels and the market buoyant. Further	dividend list	official rese	arrent Dalah	des (sinf;		(tru); con	me or vace	(1980 = 100);
<ul> <li>(ii) The report has been approved and signed on behalf of the company (iii) The company's financial year-end has been changed to 31 August.</li> </ul>	y by two directors.	from £165,000 to £747,000. With earnings more than	substantial growth was			Export	troport	Visible C	annent d	Olf Term	Accerve
<ul> <li>(iv) Comparative figures for the corresponding period of the previous figures for the corresponding period of the period peri</li></ul>	nancial year are not quoted as the	quadrupled to 4.97p (1.21p), the dividend is raised from	expected throughout the second half and beyond. An	After a five year absence, A.J. Worthington (Holdings) is	1967 15t gtr.	178.5					
company was dormant during that period.		the dividend is raised from 0.4p to 1p.	improved interim dividend of 2p (1.17p) is being paid.	returning to the dividend list	2nd qtr. 3rd qtr. 4th qtr. November December	128.5 128.6 128.6 134.5 138.4 138.4 137.1	133.5 141.1 151.1 152.5 134.5 154.3	-8.317	-218 +1	.018 193	0.4 27.04 0.4 34.36 0.7 34.51 0.9 44.33 0.7 41.28
	Registered office: General Mining Building	Turnover of the group.		with a dividend of 0.5p in respect of the year ended	4th atr.	134.8	152.5	-1,000 -1,000 -1,010	-1.397 +1	936 103	L7 54,81 L9 44,33
Johannesburg	6 Hollard Street	engaged in engineering and tool manufacture, metal	JURYS HOTEL	March 31 1988. With turnover ahead at	December 1968		154.5	-1,818	-1,387 +1 -525 -1 -180 -1	332 103 546 104	1.7 41.28 1.2 44.33
28 July 1968	Johannesburg 2001	production and processing.	Pre-tax surplus	£4.28m, against £3.45m, this	1st qtr. 2nd gtr	128.0	148.3	-4,017	2,776 -	881 194	44.64
The Interim Report will be sent to shareholders on or about 5 August 1	1988 after which date copies will be	was fittle changed at £18.03m (£17.93m), but the trading		producer of sewing thread and narrow textile fabrics reported	January	128.4	181.0	-1,573	-1,180 -	-356 104 -311 104	40,50 L3 43,09 L6 42,93 L2 44,64 L5 47,55
available at the London Office, 30 By Place, Lond		profit grew to £1.09m (£769.000).	up to I£2.03m	pre-tax profits more than	March	128.4 123.0 128.1 136.4 128.1	181.0 147.4 146.0 155.8 156.7 163.7	-1,457 -005 -1167 -1,944 -1,521	-572 -	-213 105	42.93
		The UK side contributed £16.86m (£16.82m) and £1.03m	Taxable profits advanced 26 per cent to If2.03m (fi.7im)	doubled from £110,607 to £268,503. Tax charge was	Aprii May Jone	128.1	158.7	-1,946	-667 -1 -1,144 -1 -1,1821 -1	303 100 221 107 140 107	47.5
		(£707,000) respectively.	at Dublin-based Jurys Hotel	£18.171 (£17.000) and earnings	1 .	NAL	163.7	-1,521 -	-1,821 -	-140 100	30 48.58
			Group for the year to April 30. This result was scored on	per share came out 3.1p higher at 4.8p.					·		
	60		turnover ahead £1.56m to £17.29m.	The directors said the company had achieved the		Mana				·	
London		·	After a drop of £328 000 to	results planned for 1987-88 with	sterling len	ding to priv	the sector;	hi and M3 building so	(annual p cieties' net	ercentage c inflow; cons	hange); bank tumer creditt;
			£1,000 in interest receivable and similar income and tax	the advantage of strong markets. Although the markets		ally adjusted	I. Clearing		Benk (end	period).	
		Uplc	down slightly at £417,000	have not continued to be as	1 1	MO %	M4 56	M3 La	inding ini	dow ored	er. Base († 1858 %
		pic	(£425,000), earnings per share came out at 7.7p (5.6p). The	strong in the current year, Worthington was in a position	1997	44	22.3	18.5 +	6.738		
	25		directors proposed to raise the final dividend to 2.5p (2.25p),	to pursue continued growth both organically and by	and otr. and otr.	4.5	23.2	18.0 . +	8,854	<b>904</b> +1,9	58 2.00
"The year to 30 April 1988	8 showed further	substantial	making a total of 4p (3.75p).	acquisition.	4th qtr. November	44 45 45 45	213 232 200 222 222 223 222	28.1 +1 22.5 +1 22.1 +	11,185 1	1,485 + 9 1,804 + 1,0 1,211 + 8 1,807 + 9 1,128 + 3 1,065 + 2	77 10.90 69 2.00 74 39.80 46 8.50 \$7 9.00
growth in capital values an	"amoone"				December 1968	43		22.5 +		.065 +2	NB 8.50
		01.1		INCOME FUND		5.3	19,8	20.4 +1	13,010 . 5 15,265	<b>L161</b> + 1,0	35 8.50
	John H. Bushell,	Chairman.	DIVIDEND ANNOUNC	CEMENT DECLARATION	January February	4.8 5.3 5.8 6.1	20.5 19.7 18.8 22.3 20.5	21.8 + 28.0 + 28.4 + 28.0 + 18.9 +	2,536 1	<b>300</b> +2	BL 8,50
				END No. 23	April	5.8 6.1	18.8	28.4 +	2,536 4,883 6,045 3,120	900 +2 1,102 +3 1,890 +4 1,576 +2	28 3.30
			The Trustees of the WorldInvest Inc	come Fund are pleased to announce a	May June -	82	20.5	18.9	-3,125 1	1,102 +3 1,899 +4 1,576 +2 1,366 +3	8.50 28 8.50 21 9.00 28 3.80 51 3.90 60 7.60 3.59
	Years to 30 Apri		US\$8.50 per share distribution to S period from January 1, 1988 to Jun	harcholders in respect of the half-year						• .	
	1988 198	57		reviously uppresented coupons, may	sale prices	indices of e	ternings (Ja Chared proc	in 1990 = 10 Jucts (1980	(0); basic m = 100); reta	atorials and	tusis; whole- d tood prices de weighted
Pretax profits	£10.89m £8.4	3m +29.2%	be presented for payment on or after	August 1, 1988 to any of the following	value of str	100); Reut srling (1975	ers comino - 100)	dity index	(Sept 193	1 - 100); tri	ide weighted
Earnings per ordinant share	11.0	10.49/	Payment Agents:- 1. BankAmerica Trust Compar			Sern-	Besic \	Whethe.		Reuter	<b>na*</b>
Earnings per ordinary share	<b>11.8</b> p 10.5	-	Union House, Union Street,	St. Helier, Jersey, Channel Islands.	1967			secold.	APT Po		4. Sherling.
<ul> <li>— excluding prior year tax adjustment</li> </ul>	ents 11.8p 9.9	p +1 <b>9.2%</b>	2. Bank of America Internation	nal S.A.	1st ctr. 2nd ctr. 3rd ctr.	192.0	129.8 129.7	149.3	100.3 1	1,5 1,5 101_6 1,5 1,6	40 W.F
Ordinary dividends	7.1p 6.2	p +14.5%	35 Boulevard Royale, Case ) LUXEMBOURG, Grand Da	Postale 455,	3rd gtr. 4th gtr. November	202.0	128.8 128.7 131.8 132.4 131.4	151.5	102.1 1	100.5 1,4	7 7.7
-		-	3. BenkAmerica Trust & Bank	ing Corporation	December	202.9 200.9 207.2 214.3	151.4	149.3 186.9 181.8 183.2 183.2 183.2	102.1 1 103.2 1 103.4 1 103.3 1	1981.5 1,5 191.6 1,9 190.5 1,9 191.5 1,6 191.6 1,6 192.4 1,7	40 96.9 47 72.3 47 72.7 42 74.9 42 75.8
Net assets per ordinary share	<b>267.7p</b> 214.2	p + <b>25.0%</b>	(Behamas) Limited.		1968 1st otr:	201.9					
	-	-		lay Street, NASSAU, Bahamas	2nd ctr January		134.5	147.5	198.2	93.5 1,7 94.61,8	17 78.3 17 77.8
			4. Benk of America NT & SA, Hong Kong Main Office, Sc	Georges Building.	February March	206.9 206.7 213.1 218.8	131.6 134.5 134.9 134.0 131.4 132.3	165.2 187.5 164.6 165.1 158.5	182,7 1 198,2 1 193,3 1 193,7 1 194,1 1 195,8 1	63.5         1,7           64.5         1,8           62.9         1,7           83.6         1,7           83.9         1,7           84.4         1,7           84.4         1,7           84.4         1,7	47 78.3 17 77.8 82 74.3 86 74.3 34 78.8 38 78.2 78 78.4
The Annual Report will be despatched to Shareh	olders on 19 August 1988. Copies	will be available from	No. 1 Ice House Street at Cl P.O. Box 472, HONG KON	ater Road	April	218.8	132.3	155.9	105.3	64.9 1,7 164.4 1,7	14 78.8 38 78.2
the Company Secretary, London Shop plc, Beaut	aont House, 179/187 Arthur Road	, London SW19 8AF	2 ()	··· [2	June		136.2	187.5	106.2 1 166.6 t	1.7 1.7 14.4 1.6	/8 78.4 26 78.5
The ansaur of this statement for this	h the Directors of London Shop pic are so		Payments will be made subject regulations within fourteen days of	to any applicable fiscal or other		filet chem	"Not" 	eccentry o	distant	bank joese.	
responsible, have been approved by a person	a suborised under the Financial Scivices Act 19	86.	BankAmerica Trust Compa	ny (Jersey) Limited					a, anonqui	Denk joess.	
			Manager	July 28, 1988	1. A						

## UK COMPANY NEWS

## **Residential side boosts** Trencherwood to £6.04m

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TRENCHERWOOD, residential TRENCHERWOOD, restantial and commercial property developer, increased pre-tax profits by 65 per cent to 25.04m compared with £3.66m in the six months to April 30, on turn-over up from £12.9m to £22.7m. Earnings per share increased

nearly 48 per cent to 17.01p (11.52p) and the group is declaring an interim dividend of 1.31p (1.05p).

Mr Brian Bighteeu, group finance director, said the bulk of the profits had come from residential homes. Commercial developments made £1.2m before tax In the period, an increase of 50 per cent on prof-its in the whole of 1986-87.

There was no significant contribution from retirement home schemes which are yet to be completed. Eventually retirement homes should gen-

SHARE STAKES

erate 15 per cent of profits, with 25 per cent coming from commercial development and the balance from the residential division.

The company is quoted on the Unlisted Securities Market but City observers believe the company may seek to move to a listing on the strength of its full-year figures, due next February. Trencherwood manages a

total land bank of about 6,000 units. This includes options on a number of units which form part of the West Berkshire structure plan, awaiting approval from Mr Nicholas Ridley, Environment Secre-

tary. The western region, along the M4 corridor, is the core of Trencherwood'e homebuilding. programme, but Mr. Kighteen

said he expected southern region to contribute signifi-cantly to 1988-89 profits. The Midlands and eastern regions should start contributing to

should start contributing to profits within two to five years. The average house price rose from £55,842 in the comparable period, to about £70,000. Mr Kighteen added: "I think the housing market is set very fair Obviously interact rates

fair. Obviously interest rates worry us, but there are still areas in the UK where demand outstrips supply." He said the group was considering some acquisitions to move Trencherwood into new geographical areas, which could include 'the north of

England Since the end of the interim period Treucherwood has raised £10.1m through a rights issue to fund expansion.

Kenyon double its profits to £1.63m By Andrew Hill

**Coffin making helps** 

the memorial business.

Mr Michael Keuyon, chair-

man, said the emergency ser-vices division, which helps the

authorities in the recovery and identification of disaster vic-

tims, was currently working in Scotland in the aftermath of the Piper Alpha oil rig tragedy. During the year, the special-ist team had assisted following

the Zeehrugge ferry disaster, the King's Cross tube fire and the South African Airways

The French funeral director **Pompes Funchres Generales** 

from 10 per cent to 29.2 per cent during the year. Mr Ken-yon said PFG had no intention of bidding for his company.

PFG is a subsidiary of Lyon-naise des Eaux, the water sup-plier which has recently

explosion over Mauritius.

INCOME FROM coffin manufactorers bought during the year helped Kenyon Securi-ties, one of three funeral directes, one of three inneral direc-tors quoted on the Unlisted Securities Market, nearly dou-ble pre-tax profits to £1.63m for the year to March 31, against £854,306 in 1986-87. However, earnings per share

rose only 3.6 per cent to 12.49p (12.05p), following four sub-stantial acquisitions, funded principally by the issue of new shares.

Mr Michael Kenyon, chair-man, said the group would con-tinue to expand in the current

The actual number of funerals carried out during the year was about 11,500, but the acquisitions mean the group is capable of carrying out 21,000 funerals a year, against 8,900 which could have been carried

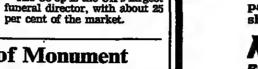
out during 1986-87. Group turnover rose from £5.25m to £10.6m. Coffin manufacturing increased its contri-butiou to £3.2m (£700,000), funeral services income rose to £6.7m (£3.8m) and an unchanged £700,000 came from

Nimex has 40% of Monument

The Nimex deal was Nimex deal

waiving all conditions other than a 50 per cent acceptance condition.

announced earlier this month, but was dependent on the Lom-hard Odier stake being "unfro-zen" by the courts. The board of Monument had previously fought the "freezing" order hecause Lombard Odier declined to reveal the ultimate owners of the share stake. Monument is now backing the



Sec. doin

'A year of

## Allied Dunbar new life Albert Fisher Group: A.B.

Millar, executive chairman, has sold 2.31m ordinary but said he had no present inten-tion of any further sale. He retains a holding of 5.53m shares.

Bespak: Scottish Amicable Investment Managers has reduced its holding to 1.11m ordinary (8.29 per cent).

Holmes and Marchant: Derek S. Coates, director, disposed of 250,000 shares at 2623 and is now interested in 1.04m shares (8.9 per cent). John Maunders Group:

Redrow Group now holds 1.75m ordinary (7.18 per cent).

Nash Industries: David New ton, chief executive, has acquired a further 150,000 shares and increased his personal holding from 15.8 per cent to 17.6 per cent.

business grows by 42% **By Eric Short** ALLIED DUNBAR Group, a member of BAT Industries, has successful life companies in

this field The group also did well in reported a 42 per cent increase in new life, pensions and unit trust business as measured by regular premium life business with new annual premiums up 41 per cent from £22m to £31m. the growth in new initial commissions. Much of this growth came from the sale of mortgage endow-

However, the new business pattern in the first half to June 30, like that of most other life companies, was patchy, with strong growth in certain mar-kets partially offset by dull

trading conditions elsewhere. The group did particularly well in the buoyant pensions market ahead of the change to

**APPOINTMENTS** 

**Promotions at Readicut** 

August L

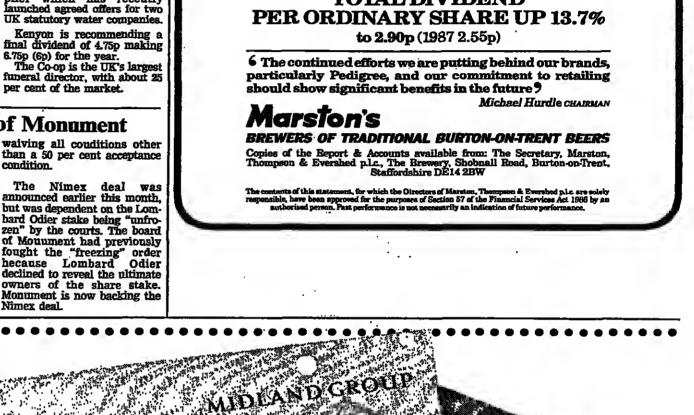
dinavia.

Phoenix, Arizona

Unlike other life companies, Allied Dunbar did not experi-ence a drop in sales of linked the new-style personal penlife bonds. Growth achieved of sions, New annual premiums 29 per cent from £70m to £90m rose more than 80 per cent was based on the promotion of property and managed fund from £38m to £70m - making Allied Dunbar one of the most

ments in the wake of the suc-cessful Homeloans service Petroleum, has completed the acquisition of 12.87m shares in Monument Oil and Gas from Unit trust sales slumped nearly 60 per cent from £200m to £82m in the aftermath of the Lombard Odier, a Swiss bank. A further 8m new Monument shares have been issued to Nimer, taking its stake to 40.24 per cent. As previously anticipated,

Nimer is now making a full offer of 12p a share under Rule 9 of the Takeover Code, and



considerable progress'

PRE-TAX PROFIT UP 13.3%

to £12,945,000 (1987 £11,427,000)

**TURNOVER UP 1.9%** 

to £73,546,000 (1987 £72,181,000)

EARNINGS PER SHARE UP 17.1%

to 9.74p (1987 8.32p)

TOTAL DIVIDEND

23

Marston's

READICUT executive of the construction joined the board of BANRO INTERNATIONAL Mr P.J.F. and property-based group, Croset has stepped down as AKELER HOLDINGS, from Croset has stepped down as deputy chairman, and has been succeeded by Mr A.V. Dodman who becomes executive deputy . chairman. Mr Dodman is succeeded as group managing director by Mr C.M. Shaw, who was group finance director. Mr D.G. Palfrey joins the board as group finance director. Mr P.W. Berry, managing director of subsidiary Firth Fornish-

ings, also joins the board.

HSS HIRE SHOPS, a subsidiary of John Mowlem & Co., has appointed Mr Ian Weston as field operations director.

At AMERICAN EXPRESS tor of Matthew Brown. TRAVEL RELATED SER-VICES Mr John Lenton will Mr Brynley Evans, managing, director of R. Twining & Co., is director of R. Twining & Co., is Mr Bon Gurney as

INDUSTRIAL, following Wagon's offer for Banro becoming unconditional. JENNINGS BROTHERS, a

stock market crash.

Cumbrian brewery, has appointed Mr Trevor Green as a non-executive director. He

Brighton regional operating to succeed Mr Ron Gurney as centre and customer services, managing director of the on August 1. He succeeds Mr TWININGS GROUP, when Mr Harvey Frey, who will become senior vice president, business planning and development EMEA, on the same date. Mr Lenton was vice president and Gurney retires. Mr Colin Hud-son, group purchasing man-ager: Mr Geoff Uglow, management services manager; and Mr Ian Dewar, commercial manager UK, have heen appointed directors of R. Twinoperational general manager for the northern European countries of Benelux and Scan-

Nimex Resources, the private oll company headed by Mr Tony Craven Walker, ex-chief executive of Charterhouse

OFITBEFOREEXCEP

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MEMBERS OF MIDLAND BAN

BARNINGS/LOSS) PER SHAR

ADJUSTED FOR 1867 BIOHTS ISSUE

EXCEPTIONAL ITEM

Mr John Hend has been appointed non-executive chairman of UNITED PRECISION INDUSTRIES, the company formed by management to pur-chase RHP Bearings. He recently retired as chairman of Brammer.

Mr Stephan Wingate, Mr Christopher Benhami, Mr Rob-ert Kirkman, finance director, ert Alfaman, disarter director, aud Mr Christopher Jones have been appointed to the board of ESTATES PROPERTY INVESTMENT COMPANY, AI are on the board of Develop-ment & Realisation Trust which has an interest in EPIC.

LAKE & ELLIOT INDUSTRIES has appointed Mr James Harv-ie-Watt as a director with special responsibilities for finance.

Mr George McWatters has been elected vice-chairman of BRISTOL & WEST BUILDING SOCIETY in succession to Sir John Wills who has become

Mr David Hughes has been appointed a director of BAL-TIC. Formarly a director of Guinness Mahon & Co., he suc-ceeds Mr Mark Glatman who has resigned to move to north-ern England to become chief

> Notice of Early Redemption SEK **AB Svensk Exportkredit** U.S. \$100,000,000 U.S. \$100,000,000 12%% Notes Due September 11, 1989 Notice is hereby given that pursuant to the provisions of Condition 5(b) of the Notes, the Company will redeem all outstanding Notes at 101% of their principal amount on 11th September, 1988, when interest on the Notes will cense to accrue. Repayment of principal will be made against presentation of the Notes with unmattured coupon No. 5 stretched, at the offices of any one of the Paying Agents monitored thereon. Coupon No. 4 doe 11th September, 1988 should be presented for payment in the usual manner on or strer 11th September, 1988.

unkers Trust

Company, London

28th July, 1988

## BANK OF CHINA

U.S. Dollar Floating Rate Noiss due July 1995 - WKN 475 543 -

in accordance with the Conditions of the Notes notice is hereby given that for the interest period July 22, 1988 to January 22, 1989 included (185 days) the Notes wild bear interest at the rate of 8 9/18 % per amum. The coupon amount per U.S.\$ 10,000 Note will be U.S.\$ 440,02 and per U.S.\$ 100,000 Note U.S.\$ 4,400,17

The Interest Payment Date will be January 23, 1969.

in July 1968

Deutsche Bani

Agent Bank

dinavia. Mr C. John Beckett, director of sales, and Ms Rosemary Hunt, director of purchasing and administratiou, have been elected to the hoard of LK TOOL COMPANY, a Cincinnati Dr Boh South has been appointed head of investor relations, BRITISH GAS, from August 8. He was an assistant director at Watson House research station.

Milacron company. Mr John L. Blozham, managing director of Cincinnati Milacron, also joins the board. Mr David J. Sawyer, managing director of LK Tool; has been elected a director of INTERBRAND GROUP has appointed Mr Paul Stobart as group finance and development, director. He was vice president, corporate finance, at Hill Sam-uel's New York office.

Cincinnati Milacron. Mr Nor-man Key, founder and chief executive officer of LK Tool, Mr Richard A. Barnes has been appointed finance direc-tor of the WEDGWOOD GROUP. He was finance direc-tor of Ford of Spain. Mr John has retired, but will continue as a director and consultant. Overall responsibility for LK. Tool worldwide is now with Mr tor of Ford of Spain. Mr John Ryan has been appointed direc-tor of planning and customer services, china division, a new post. Mr Roy Naylor becomes production director of the Bar-laston factory. Mr John Shuf-flebottom is made production director in the creative table-ware division at the Eagle fac-tory. Alan Shaffer, group vice-presi-dent, Cincinnati Milacron Inc., Mr John L. Hudson, group chief executive, and Mr Authony J. Smith, group finance director, of Wagon Industrial Holdings, have

tory. PRUDENTIAL HOLBORN, the Prodential's financial services arm for private investors, has appointed Mr Steven C. Besent

as systems director. He was manager, group systems unit, at Standard Chartered Bank. THE TRY CONSTRUCTION GROUP has formed a new administrative board, chaired by Mr Peter Howell. The other directors are Mr Frank Nelson,

finance; Mr Gordon Whitmore, legal and insurance; Mr Rich-ard Bowen, marketing; Mr Bob Ottley, personnel; Mr Bernard Collins, technical services; and Mr Michael Wheeler, account-

Mr Ronnie Gray, chairman of Lever Brothers, bas heeu elected president of the INCORPORATED SOCIETY OF BRITISH ADVERTISERS.

Mr R.T. Lawton has been appointed financial director of CUSSONS TECHNOLOGY, Sal-

SCHAL INTERNATIONAL has promoted Mr Paul Marston from director of operations to deputy managing director. He is succeeded by Mr David Evans who was project executive on the Stockley Park

Our interim statement shows we're on course for a better year.

"I regard as very satisfactory the strong improvement in the underlying profit trend which has been achieved right across the group, but particularly in our home markets, in highly competitive and volatile conditions. The group's capital position remains strong."

Profit before exceptional item and tax

Interim dividend up 10% from 8.6p

Wit Michahon Sir Kit McMahon, Chairm



## MIDLAND GROUP

A full copy of the press release is available from the Secretary, Midland Bank plc, Head Office, Poultry, London EC2P 2BX. Telephone: 01-260 8184

up 25%.

• Pre-tax return on average equity 22%.

equivalent to 9.5p.

a the second second

## Philippines company considers gold loan By Kenneth Gooding,

## Mining Correspondent

MORE EVIDENCE emerged yesterday that developing countries are about to contribute to the flood of gold bullion loans which have helped hold the gold price in check this

So far this method of financing has been used mainly by Australian and North American companies but yesterday Lepanto Consolidated Mining of the Philippines said it had made tentative approaches about a \$100m gold loan to help fund a joint venture in its home country.

This follows the recent reve-lation that Bank Indonesia is studying a plan whereby com-mercial banks would provide gold loans to help foreign companies finance further explora-tion in Indonesia.

Gold loans have the effect of pulling forward sales of the precious metal because companies borrow metal, sell for cash and repay in gold from future production.

Interest on such loans is relatively low, typically between 2 per cent and 3 per cent, and also often is repaid in gold bui-

The Landell Mills Commodities Studies group snggested this week that so far this year gold loans have exceeded 4m troy ounces (nearly 125 tonnes) worth \$1.5bn

In the Philippines, Lepanto, a big copper producer which is quoted on the Manila and Makati stock exchanges, is involved in a joint venture, dubbed the Far South East gold-copper project, with Galactic Resources of Canada.

The venture might produce the largest single gold develop-ment in the history of that country. **Reuters** reported yesterday

that Mr Ramon Recto, Lepan-to's president, said the company had sounded out London brokers about a possible gold loan but "we haven't yet told the Central Bank about it."

He said Lepanto boped to raise \$200m for the project, "a gold loan is just one of our alternatives."

According to the Mining Journal, the Bank Indonesia study was instigated because several of the junior companies exploring in that country had been experiencing cash flow difficulties since the stock mar-

minchines since the stock mar-kets crashed last October, One allavial gold mining project at Kasongan, a joint venture between Jason Mining and Pelsart Resources with the and Pelsart Resources with the Indonesian government having cent of the available land is ae May last year raised through Westpac Banking Corporation a \$7.5m gold loan with a US dollar Euroloan option for a term of four years.

LONDON MARKETS

BASE METAL prices ware lower

## **Coffee price** falls in spite of quota cut

#### By David Blackwell

COFFEE PRICES tumbled in prices; a two-tier price level has developed under which London yesterday in spite of non-member consuming coun-tries can buy coffee considerathe International Coffee Organisation's announcement of the second cut in its world export bly cheaper than members; and supplies of top quality arabica coffee are short, while the quota in two weeks.

The second postion on the robusta coffees are in abun-London robusta futures dance. exchange fell as low as £1,035 a This led Colombia yesterday tonne before closing £37 down at a three-month low of £1,046 to urge the ICO board to redistribute quotas in order to curb robusta exports more than araa tonne. bicas. The ICO indicator price Dealers said that the 1.5m-

Dealers said that the L5m-bag quota cut - to 51.5m bags of 60 kg each - had already been largely discounted by the market. The London price had been holding up well this week, one dealer said, but Tuesday night's fall in New York put London under pres-sure vectorday Limidation of 142.62 cents a lb, way above the robusta indicator at 85.21 cents a to. However, the board agreed to abide strictly by the rules of the agreement, especially as the full ICO Council meeting is sure yesterday. Liquidation of long positions and selling by only two months away. Today the ICO Technical speculators forced the market down. The total quota was set by

tinue discussions which started this week on the form the ICO at 58m bags last Octo-ber, but has steadily been reduced as the 15-day average the next International Coffee Agreement, due to run from September next year, should indicator price has consistently failed to maintain the level the organisation is trying to sup-port. Yesterday's cut, which will be the last this year, was triggered when the 15-day averunhappy about the agreement, and are pushing for reform, but producing countries are happy to leave it as it is. age for July 26 was announced

companies anxious to establish large, irrigated commercial

farm projects.

COCOA E/lonne

The coffee market does not at 114.61 cents a lb - below the expect anything to be settled at this week's talks. "It'e a one-sided dialogue," one trader 115 cents a lb target. The problems of the current ICO agreement are becoming worse. It is failing to support said yesterday.

a lb.

for arabica for July 26 was

Preparatory Group will con-

**Concumers** countries are

Iran offers to resume oil sales to US By Andrew Gowers,

## Middle East Editor

IRAN YESTERDAY sought to bolster its recent political over-tures towards Washington by offering to resume co-operation with US oil companies.

In an interview with the English language Tehran Times, Mr Hussein Kazempour Ardebili, Deputy Oil Minister, said the ground was ready for the resumption of sales of Iranian oil to US companies pro-vided the Reagan administra-tion dropped its "hostile attitudes" towards Tehran.

He also complained about a recent fall in Japanese liftings of Iranian crude - from a nor-mai level of around 240,000 barrels a day to the current 200,000 b/d - and said Tehran expected France to lift its oil embargo against Iran as their political relations improved.

Elsewhere in the interview, Mr Ardebili spoke about the prospects for Opec following a Gulf ceasefire. He said this would lead to initial overpro-duction as Tehran and Bagh-dad sought to maximise revenues to fund reconstruction, but that peace in the Gulf would eventually help cartel members to enforce production controls. As a first step, he said, Kuwait and Sandi Arabia should stop producing so-called "war relief" crude for iraq from the neutral zone on their common frontier.

#### CONFLICTING WEATHER forecasts are keeping Chicago's grain traders on their toes this week Even as a ridge of high pres-sure re-asserted itself across the Midwest yesterday, push-ing temperatures above 90 deg F again, some forecasters were

**COMMODITIES AND AGRICULTURE** 

already pointing to an increased chance of stormy weather into August. The Midwest farmbelt was doused with some two inches of rain towards the end of last week and over the weekend. But although this sent grain futures prices plunging, it was not enough to break the three-month long drought that has gripped the region. The onset of more hot weather will have most effect on the soyabean crop, which will be blooming over the next three weeks - an important stage in the plant's growth when it forms its bean pols. Soyabean futures prices on the Chicago Board of Trade moved slowly unwards in early "We have seen massive liqui-dation by speculators," said Mr Dan Basse, crop analyst at GNP Commodities, "but we're now looking for more stability, before we start another lag to the upside." Mr Basse is convinced that moved slowly upwards in early trading yesterday as traders concluded they had over-reacted to previous rainfall

Weather keeps Chicago traders guessing

the bull market in grains has hot yet run its course, although he expects the mar-kets to be wildly volatile.

The soyabean crop is much more resistant to drought than Before some strength returned to the market yester-day, soyabean futures prices tumbled by around \$3 per bushel from highs of over more resistant to drought than make and even small amounts of rainfall in the next few weeks could improve yields. In fact, last week's rains have already prompted several ana-lysts to boost their estimates of \$10.50 a bushel earlier this

soyabean production to about 1.65bn bushels from previous, drought-related forecasts of 1.5bn bushels - compared with the 1.9bn bushels that would be expected in a normal VEBL.

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But the rain did little to help the maize crop in the Midwest, where yields are expected to be down by over 40 per cent.

Even if the farmhelt did have Even if the Eximplet on nave a storing August, rainfall would not be expected to exceed Bormal levels for the month and would almost cer-tainly be far below the amounts required to replenish groundwater and sub-soil mota-ture levels. ture levels.

## US makes subsidised wheat offer to India

100.000 tonnes

#### By Nancy Dunne in Washington

By Deborah Hargreaves in Chicago

IN SPITE of falling stocks and Agriculture Department has responded to pressure from the farm lobby with a new offer to sell 800,000 tonnes of subsidised wheat to India. The offer, made under the Export Enhancement Program, has been welcomed by Mr Frank Johannsen, president of the National Association of Wheat Growers, which along with other farm groups had met Mr Richard Lyng, the agri-culture secretary, to urge the department not to abandon the

The wheat groups also arranged for senior Indian offi-cials to meet Senator Robert

Dole, the minority leader, who strongly supported providing additional EEP offers to India. India had earlier bought im tonnes under the subsidy scheme and was eligible for another 200,000. Including the new offer, it may purchase a further im townes.

reports.

month.

"This annoncement couldn't come at a better time," Mr Johannsen said. "It's the first EEP initiative for wheat since early May, and it's a welcome signal that America is in the export business to

"Morale dropped among importers and exporters caught in a pattern of bidding-rejection-rebidding which con-fused them as to what levels of purice and homes combinations stay." Mr Lyng has consistently maintained that the US would continue subsidising wheat in price and bonus combinations were acceptable to the USDA." Wheat Associates said in its newsletter. "By late in the order to hold on to markets it

has gained under the pro-gramme, but sales have been much slower than before the drought.

week, buyers had become dis-couraged and industry was beginning to loss confidence in the USDA's resolve to utilise the REP programme." At the end of the week, the Department had accepted much lower blds, made under old EEP offers 25,000 tonnes for India, 256,000 for China and 110,000 for fran. According to US Wheat Associates, bids for KEP sales were submitted by China for 125m tonnes; by India, for 1m tonnes; by Iraq for 330,000 tonnes; and by Kenya, for

The acceptance of these smaller quantities may be grounds for optimism that the USDA is simply waiting for information on further crop development and for political implications to settle down before resuming a better pace of export sales," the newsletter

Pakistani sugar crop climbs to record level

## By Christina Lamb in Islamabad

PARISTAN'S sugar industry has achieved its highest ever production figure of 1.75m toppes this year - 35 per cent up on last year's outturn.

Next year's production of sugar came is expected to be even higher because of good monsoon value.

Pakistan is still a long way from achieving self-sufficiency in sugar production, however.

The country imported almost 400,000 tonnes of sugar in 1967-88. compared with 749,000 tonnes in 1966-87 to help meet its domestic requirement of 1.8m tonnes, which is expected to ilse to 1.9m next year because of the sharp increase in population.

Pakistan has one of the los

740/0 751/0 754/0 758/0 760/0 757/0 755/0 0

24.80 25.05 25.75 25.75 25.95 26.10 25.90 25.90 25.65

232.0 228.5 225.5 225.8 225.9 222.0 222.0 224.0 224.0

285/0 292/0 294/0 292/0 270/0 257/0

357/0 369/4 373/0

06.05

67.95 70.95 71.90 72.90 73.06 70.90 0

45.18 39,55 42,27 44,45 49,90 49,95

32.90 52.50 62.55 53.67

63.80 62.77

## The hopes and headaches of Zambian agriculture Victor Mallet visits one of Africa's more successful commercial farming projects

RANDIOSE agricul- in the Zambezi valley. The tural projects in Africa company's involvement in Zambia could eventually cost have a poor track record. Unpredictable weather and unpredictable govern-ments have a way of under-mining the best laid plans of farmers and foreign investors.

Zambia could eventually cost some \$30m. At Mpongwe in the Copper-belt the Zambian Government has joined hands with foreign participants, including the international Finance Corpora-tion (IFC). to develop 4,000 hectares for coffee, wheat and other cruns. It is surprising, therefore, that Zambia - in spite of ditching the International Monetary Fund and becoming other crops. a deeply unattractive proposi tion for many investors - has emerged as a favonrite stamping ground for foreign

Mpongwe has already exported gladioli flowers and seed beans to Europe and South Africa while the coffee plants grow, but financial difficulties mean that the initial \$13m investment will have to be supplemented with a fur-

ther injection of about \$5m. Down at Sinazongwe on

Lake Kariba, the fledgling \$16m cotton and wheat farm of the Gwembe Valley Develop-ment Company demonstrates

This one is majority ownled by Lasco (UK), a subsidiary of Lummus of the US, with partic-ipation from the IFC, the West German development organisa-tion DEG, Hoechst (Zambia) and Linton the state option and Lintco, the state cotton COMDANY.

The plan was to use a can-tre-pivot irrigation system to water 2,100 hectares of land in 25 circles. At full production, the farm should grow about 7,500 tonnes of cotton and nearly as much wheat each nearly as much wheat each year, earning an annual \$3m to \$4m as well as 25m kwacha (£1.85m) in local currency. At first the development went quickly. In May 1966 the buildozers moved in to clear the bush, and the first rain-fed

crops of cotton, soyabeans and groundnuts were in the ground by November. By June 1987, power lines had been extended



workers. "Each of those factors has caused problems in the first two years," says the general manager, Mr Ian Wright, a white Zimbabwean. The farm vot a

to use migrant workers from other areas of Zambia. Other headaches include a est level ever, forcing the delay of cotton planting while a channel was dug to let the water reach the pumping stashortage of trucks in Zambia to transport the crops (Mr Wright suggests that the farm estab-

make matters worse. To local Tonga villagers, who lish its own cotton gin) and resented being moved from their homes to make way for the farm, proved to be reluc-

delays at the central bank in dealing with the financial arrangements - notwithstand-ing President Kenneth Kaun-da's open enthusiasm for such the farm, proved to be reluc-tant workers. On a similar farm in Zim-babwe, Mr Wright says, you would expect to find 5,000 workers in the mid-year cotton picking season. Here there were only 150: Costly and less efficient cotton-picking machines had to be imported to cope with the crop. Mr Wright blames the labour. faim projects. With a six-week window around October for reaping wheat and sowing cotton, and another six weeks around May for the reverse process, the Tor the reverse process, the crucial timing needed for full yields from both crops has not yet been achieved. However, investors in the farm remain confident of suc-cess, and attribute the failure of many wat defend failure

problem on the fact that the workers have little to buy with the money they make - so they leave after earning a few kwacha.

Wright.

Masstock International of financial. Ireland, known for its farming enterprises in the Middle East, bureancratic and climatic obstacles which have to be overcome by big farm projects is beginning to invest in a buge cotton and wheat project in Africa.

liery and the irrigation infrastructural. systems were working. But it was not all plain sailing, in spite of the apparently suitable soil and climate and

246 173 135

83 152

57 113 174 119 170 231

Puts

Jul Aug Sep Jen Jen May Jul Sep Dec

Calls

Call

179 132 95 158 103

209 129 75

capacity. The soil turned out to be loose and low in clay and must be treated with care. After a drought the lake fell to its low-

infrastructure in the area in terms of clinics and schools and certainly a supermarket," he says. Even so, the company expects it will eventually have

of many past African farming ventures to their dependence on governments or the World Bank and lack of private sector "The development has been

est per capita sugar consump-tion rates - only 15 kg to 17 kg compared with an average of extremely successful," says Mr 60 kg to 70 kg in developed countries.

#### 910 927 938 948 960 978 993 923 918 905 Jiy Sep Dec Mar May Jui Sep across the board on the LME vesterday 943 944 953 967 967 1005 945 918 945 928 956 940 as sterling firmed against the dollar. Three-month grade A copper closed at the day's low, while aluminium prices 968 955 tall sharply against a background of 961 975 999 990 market talk that significant progress Turnover: 11029 (11767) Jobs of 10 tonnes tCCO indicator prices (3DRa par tonne). Dally price for July 28: 1164.65 (1216.66) :10 day aver age for July 27: 1235.11 (1244.46). had been made at the Alcan Kitimat smelter labour talks. In contrast gold recovered from an early fall to close at the day's high on the bullion market. However, it failed to take the full COFFEE E/toone benefit of an easier dollar in relatively Close Previous High/Low thin conditions, as markel operators showed some caution after the sharp drop in the gold price at the start of the 1055 1044 1068 1035 1078 1045 1060 1060 1084 1073 1069 1078 1096 1068 1063 1068 1060 1095 1105 1112 Jiy Sep Nov 1035 1046 1055 1065 1070 1067 1075 ek, dealers said. Cocoa prices Jen Mar May Jiy recovered from an early fall to close near the day'a highs, tracking a similar upturn in New York Turnover: 3770 (4966) iota of 15 tonnes ICCO indicator prices (US cents per pound) for July 26 :Comp. daily 113.92 (115.68); . 15 day everage 114.61 (114.53). SPOT HARKETS Crude oil (per barrol FOB S + or \$13.50-3.70 \$15.45-5.55 \$16.05-6.10

Close Previous High/Low

Dubal	\$13.50-3.70y \$15.45-5.55z		STIGAL	l (S per lo	nnel	
Erent Bland W.T.I. (1 pm est)	\$16.05-6.109		Raw	Close	Previous	High/Low
Oli products (NWE prompt delivery per	tonne CIF)	+ or -	Aug Oct Dec	278.00 264.00 290.00	266.00 273.00 290.00	288.00 270.00 284.00 258.00 267.00
Premium Gasoline Gas Oli Heavy Fuel Oli Naphtha Peroleum Argus Estimates	\$183-185 5133-135 \$71-73 \$140-142	+1 +2	Mar May Aug Oct	238.00 237.00 234.00 232.00	244.40 242.00	258.00 232.00 248.00 241.60 239.00 238.00 235.00
Other		+ or -	White	Close	Previous	High/Low
Gold (per troy oz) Silver (per troy oz) Platinum (per troy oz) Palladium (per troy oz)	\$433.00 700c \$528.85 \$126.50	+ 1.50 -2 -9.90 + 1.5	Oct Dec Mar May Aug	277.00 283.00 272.00 272.00 283.00	287.00 264.00 282.50 281.00 281.00	293.00 272.00 263.00 265.00 270.00 272.00 266.00 262.00
Copper (US Producer) 107 5-109c Lead [US Producer) 36c Nickol (Iree market) 650c Tin (Europeen free market) 54205 Tin [Kuala Lumpur market) 18.81r		-150 + <sup>1</sup> 8 -30 -30 -0.02 -0.25	White 1 Paris- V Mar 17	638 (809) Vhite (FFr 70, May 1	per tonne): 770, Aug 17	286.00 280.00 ) lots of 50 ton Oct 1795, Dec 1 770 Oct 1775
Zinc (Euro, Prod. Price) Zinc (US Prime Western)	\$1200 65 <sup>5</sup> 8¢		GAS O	L \$/tonne		
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	114.58p 188.31p 68.20p	-0.45" -25.1" -1.82"	Aug Sep Oct	Close 135.00 135.50 137.00	Previous 133.75 134.50 136.25	High/Low 134.75 132.50 135.60 133.50 137.80 135.00
London dally sugar (raw) London dally sugar (white) Tale and Lyle export price		-32 -33 -19.0	Nov Dec Jan	138.25 139.25 138.00	137.00 138.50 137.25	138.25 136.25 138.25 136.50 138.00
Barley (English feed) Malze (US No. 3 yellow) Wheet (US Dark Monthem)	£101.52 £143.5w	-1.0	Turnov	ar 3955 (3	913) lots of	100 tonnes

Wheat (US Dark Northern)	£120 <u>.25z</u>	
Rubber (spot)♥	76.00p	-1.75
Rubber (Sep) 🖤	82.25p	-1.75
Rubber (Oct) 🎔	82.500	-1.75
Rubber (KL RSS No 1 Aug)	) 351.5m	-1.5
Coconut oli (Philippings)§	5610x	
Paim Oil (Malaysian)§	\$465z	
Coors (Philippines)5	\$425	
Soyabeans (US)	\$179	-10
Cotion "A" Index	51.90c	-0.75
Woottops (64s Super)	650p	

E a tonne unless otherwise stated, p-ponce/kg, o-cents/lb. r-ringolt/kg. x-Aug/Sep. s-Sep/Oct. z-Aug/Oct. w-ki/Aug. y-Sep. tMeat Com-mission average tatstock prices. \* change from a week ago. #London physical market. SCIF Rotterdam. & Buillon market close. m-Melaya wask ago. ( Rotterdam, 🌩

SUGAR (S per tonne)							
		_	Mark of any	Cash			
flaw	Close	Previous	High/Low	3 mo			
Aug	278.00	286.00	288.00 270.00				
Qct	264.00	273.00	284.00 258.00	-			
Dec	290.00	290.00 244.40	267.00 253.00 232.00	POT/			
Mar May	238.00 237.00	242.00	248.00 241.50				
Auk	234.00	239.00	239.00 238.00	Nov			
Oct	232.00	237.00	235.00	Feb			
				Apr			
White	Close	Previous	High/Low	May			
Oct	277.00	287.00	293.00 272.00	Turne			
Dec	283.00	264.00	263.00	SOY			
Mar	272.00	282.50	288.00 270.00				
May	272.00	281.00	272.00				
Aug	263.00 261.00	281.00	286.00 282.00	Öe			
UGL .	201.00	281.00	286.00 280.00	Dec			
Turnove	Raw 6	512 (11241)	lots of 50 tonnes.	Feb			
	638 (809)			Turne			
Paris- V	Vhite (FFr	per tonne):	Oct 1795, Dec 1790,	-			
Mar 177	O, May T	770, Aug 17	70 Oct 1775	FREM			
gas çe	L \$/tonne			-			
	Close	Previous	High/Low	Jiy Aug			
Aug	135.00	133.75	194.75 192.50	Oct			
Sep	135.50	134.50	135.60 133.60	Jan			
Oct	137.00	136.25	137.80 135.00	Apr			
Nov	138.25	137.00	138.25 138.25	317			
Dec	139.25	138.50	139.25 138.50	8F1			
Jan	138.00	137.25	138.00	Tum			
Turnove	r 3955 (3	of 3) lots of	100 tonnes				
GRAINS	£/tonne			We			
Wheal	Cicse	Previous	High/Low	1 21			
Sep	105.25	105.15	108.25 108.00	( sei			
Nov	108.50	108.35	108.65 108.20	on			
Jen	111,50	111.25	111.50 111.10	ten			
Mar	114.00	113.85	114.00 113.70	me			
May	116.60	116.40	116.60	Ho			
				Bri			
Barley	Close	Previous	High/Low	this			
<u> </u>				COT			
Sep	100.90	100.80	100.90 100.50	mo			
Nov	103.95	103.75	103.95 103.60	pro			
Jan	106.75	106.75	106.75 106.65	of			
Mar	108.95	108.90	108.95 108.70	181			
May	110.75	116.60	110.75 110.45	the			

Turnover: Wheat 66 (75) , Barley 98 (173)

h change and					(D.)					
LONDO	Clos	L SOCCHA		Inch & cou			-	Metal Trading)	03	5 N
			Previous \$ per tonne)	High/Lov	AMO	fficial Ker	b close	Open Interest	Trac	ling i
_		_					Hung s	urnover O tonne	1033	activ
Cash 3 month	2660 8 2560		2840-60 2620-40	2600	2585-		-00	7,519 lots		plati
Aluminic	m,99.5%	6 purity (C	per tonne)			R	ing turnov	er 35,250 tonne		ulet fe
Cesh	1507		1588-93		1540-					es ga
3 months		-	1463-6	1453/142	1450-3			48,113 1018	farten.	ract f
		(E per to					ing turnov	er 41,800 tonne		ing to
Cash 3 months	1231		1273-6 1275-6	1254/125	3 1262-4 1252-4		17	62,000 lots		nours
Copper,	Stender	d (£ per to	(enne)				Filing \$	umover 0 tonne		ee pr
Cash	1175		1210-20		1190-3	200				fall
3 months			1210-20		1190-	200 ·		42 lots		y in t
_		fine ounce	,				Plug turn	over 30,000 cts		shed o
Cesh 3 month:	885-1 a 709-1		701-4	686	686-6. 700-2	5 710-	5	634 lots		ed. S
Leed (£	_	_					_	wer 6,775 toppe	light	t sho
Cash	338-	· · · · · · · · · · · · · · · · · · ·	345-7	345/344	343.5					ped li t mai
3 months			347.5-8	348/341	347-8	343-	4	11,923 lots		ve 68
Nichel (S	per ton	ne)					Ring turne	ver 1,360 tonne	the	cattla
Cash 3 months		0-800 0-50	14900-510 14200-50	14000/14			10-100	6,457 Jota	was	the r
Ziec (£ p	er tonne	)		-		R	ing turnov	er 11,575 tonne		
Cash 3 months	711-3		727-8 711-2	730/711 718/097	729-30					
			· · · ·	/ 10/00/	716-7	701-	3	23,135 lots	Ne	<b>W</b>
POTATO	ES £/tor	10 <b>0</b>			LONDON		ANCET		GOLD	0 100 t
	Close	Previou	s High/Lov		Gold (fine	oz) \$ price	£	equivelent.		Cio
Nov	71.0	74.0		10	Close	432 -45	4 2	50-250-2	Jul	433.
Feb Apr	84,0 99,7	90.0 109.0	108.5 95	10 12	Opening Moming 1	432-432-1 x 431.7	2	51 <b>5-252</b> 52.161	Aug	433.
May	109.0	120.0	118.5 110	1.5	Afternoon Day's higi	fix 432.85	2	0.71	Oct	439.
Turnove	1044 (3	195) lots (	f 40 tonnes.		Day's low	430-4-430			Feb	450.
SOYABE	AN MEA	L Enonne							Apr Jun	458.
	Close	Previou	s High/Low	,	Colte	S price	2	equivalent.	Aug	468.
Dec	160.20	157.10	160.50 15		Mepieleaf Britannia	446-451 446-451		812-27212 1912-27212		
Feb	166.00	161.00	162.00 16		US Engle	446-451	28	0 2-272 2	PLAT	NUM :
Turnover	559 (45	i2) lots of	20 tonnes.		Angel Krugerran	443-448		6 <sup>1</sup> 2-259 <sup>1</sup> 4 9-251		Clos
		ES \$10/in			New Sov.	102-103	69	-59-1	Oct Jap	533. 540.
	Close	Previou		,	Old Sov. Noble Plat	102-103-2		3.85-817.5	Apr	547.
Jiy	1197	1200	1197 119						Jul Oct	555. 562
Aug	1252	1268	1260 125		Silver fix	p/line cz	U	S CE equiv		
Jan	1404	1405	1407 140		Spot	406.40		2.75	SELVE	R 6,00
Apr	1459	1453	1459 145	9	3 months	417,75	. 70	7.80	_	Ciot
9년	1256 1197	1255	1395 120	•	6 months 12 months	428.55 451.80		2.10	Jul	896.
Turnover									Aud	696.
		· ·							Sep	702.
WOOL						THE DECK	MOR TR	DED OPTIONS	Jan Mar	722

2450 2800 2700

2500

2650 2900

2150

Copper (Grade A)

= (190.5%)

	WOOL
	Wool prices show remarkably little change
	al the first Australian sales of the 1968-39
•	season. Fine merinos were slightly dearer
	on the first day, but since then no price
	tendency has been clear, Bradlord
	meanwhile is a duil market, with new
	business only spaamodically reported.
	Holidays are of course a major factor, and
	Bradiord's annual formight is due to start
-	this weekend. The lack of new business an
-	competitive prices related to it are howeve
	more important than distortions in
	production and deliveries. The combination
	of high interest rates and a relatively high
	rate for sterling has unhappy memories for
	the wool textile industry. Prices for tops sti
- 1	show little change. Typical quotations are
	652p per kg. For 64s super and 476p for 58
1	

 New	York	

**US MARKETS** 

Trading in the precious metals was

less active than previous days, reports

Drexel Burnham Lambert, Gold, silver

and platinum prices advanced slightly

in quiet featureless activity. Coppe prices gained 95 in the September

contract to close at 94.95. The July future was in its last trading day adding to the market switch activity.

coffee producers price quota sent

early in the day, but late day sellin touched off commission house sell

prices down over 800. Sugar futures also fall sharply. Prices were steady

stops. Other grain markets were mixed. Soybeans and wheat gained on

light short covering. Com prices elipped in lackbuster trading, in the meat markets five cattle prices rose

above 68.60 in October, Anticipation of

the cattla Inventory report this Friday

as the main reason for the advance

Rumours about a disagreement among

	Ciose	Previous	High/Low	
Jul	433.3		0	
Aug	433.5	431.1 431.7	434.1	430.6
Sep	436.2	434.4	437.5	435.8
Oct	439.0	437.4	439.5	436.0
Dec	444.5	443.0	445.1	441.4
Feb	450.2	448.7	450.5	449.3
Apr	458.0	454.5	455.8	454.5
Jun	461.9	450.4	463.0	462.0
Aug	468.0	486.5	467.0	467.0
-				
		roy oz; \$/tro		
- LAI			-	
	Close	Previous	High/Low	
Oct	533.8	632.0	538.5	527.0
Jan	540.6	538.9	544.0	535.0
Apr	547.8	545.9	552.0	548.0
Jul	555.8	553.4	0	0-
Oct	562.8	0	564.0	554.0
_				
SELVE	<b>FR 6,000 tr</b>	oy oz; cente	Viroy oz.	
	Ciose	Previous	High/Low	
Jul	696.4	668.0	701.0	696.0
Aug	696.5	689.7	696.0	695.0
Sep	702.0	694.0	709.0	695.0
Dec	717.9	709.5	724.5	710.0
Jan	722.8	714.3	715.0	715.0
Маг	733.2	724,5	738.0	726.0
May	743.9	735.0	745.0	745.0
ປຟ໌	755.6	746.5	780.0	753.0
Sep	767.3	758.0	¢ -	0
Dec	785.2	775.6	793.0	785.0
		_	•	
COPP	ER 25,000	ibs; cents/i	be	
_				
	Close	Previous	High/Low	

			•		Sep		9.16	168.		0- ·		Ó.
ΦE	R 25,000	) ibs; cents/	Nov	16	9.15	106.	<b>D</b> .	0		Ο.		
	Close	Previous	High/Low		_			_			•.	_
	95.65	97.80	97.80	94.80	1966							
	<b>\$5.55</b>	96.00	95.70	.95.20	RE	urie	ts (Ba	da: Se	otem	ber 18	1031	
	94,95	94.00	95.20	83.20	_						1991	- 13
	90.45	89.00	90.50 -	88.30	- E		July 2	ж. Ja	ily 25	tanti	1 800	ут <del>а</del> д
	89.45	88.20	0	0	1		1943.2	19	52.0	1992		1621
	87.45	86.50	87.79	66.30	: <b>1</b>							
	86.26	85.50	85.60	85.50	00	<b>.</b> JC	XNE\$ (	Dase:	Dec.	31 197	4 - 1	1000
	85.25	84.50	86.50	85.50	Sec		131.82			_		
	84.80	83.50	85.00	85.86					5.03	740.	55	128.3
	83.25	82.50	ō · .	0	1400		135.63	15	8.98	143.	55	127.5

		., .				-		_	-
CRUE		ntt) 42,000 (			. Ch	icag	0		
Sep	Latest	Previous	High/Low		TOYA	BEANS 5.0	o pu min; c	ents/00ib b	ushel
Oct	16.12 16.21	15.95	16.17	15.82		Close	Previous	High/Low	
Nov .	16.28	16.09	16.33	15.96	Aug	753/4	765/4	781/0	740
Jan Mar	16.42 16.30	16.26 16.24	16.43	16.12	Sep	760/0	760/0	785/0	751
Apr .	16.30	10.37	16.30	16.50	Nov	767/0	756/4	788/0 786/0	754
May	16.45	16.40	16.45	16,30	Mar	760/4	755/0	7910	780
		1000 110			May.	764/0	747/0	785/0	757
	_	2,000 US g		_	Aug	740/0	747/4	. 781/0 0	755 0
	Latost	Previous	High/Low						_
Aug	4485	4361 4429	4535	4355.	SOYA	BEAN OIL	60,000 lbs; s	ditatine	
NOV	4650	4554	4855	4550		Close	Previous	High/Low	
Jan Feb	4700	4662	4710	4670	Aug	24.92	25.22	25.90	24.4
Mar	4480	4470	4500	4450	- Sep-	25.17 26.35	25.47 25.67	26.10 25.40	25.0
Apr	4345 .	4370 4300	4345	4345	Dec	25.77	25.98	28.80	25.7
	A 10 tone	es;\$/tonne	-		Jen	25,97 26,10	25.95 26.00	25.95	25.6
	Close	Previous	High/Low		May	25.90	26.20	27,10	25.
en.	1503	1480	1514		Jul	25.95	26.10	26.05	26.6
Sep Dec	1504	1495	1514	1463	SOYA	DEAN ME	AL 100 tons;	\$/ton	
Mar	1518	1510	1626	1501		Ciose	Previous	High/Low	
Joi	1580	1555	1540	1557	Aug	234.7	235.2	241.5	232
Sep. Dec	1582	1586	ο.	0	Sec	231.2 226.7	230.2	238.0	228
	1615	1823	0	0	Dec	227.7	225.1	234.0	225
COTT		500lbs; ca	_		Mar	228.0	223.6	232.5	225
	Close	Previoue	High/Low		May	225.0	221.5	230.0	224
Sep	124.05	132.95	133.30	124.00	Jut	228.0	222.5	229.0	221
- Mar	125.08	131.08	131.50	125.08			min; cents/5		_
Jul .	124.75 124.00	130.15 130.00	131.00	124.18		Close	Previous	High/Low	
Sep	124.01	130.01	0	Q .	Sep Dec	279/6	257/4 295/4	285/0	278
Dec	128.00	129.00	0	0	Mar	293/4	299/2	301/4 306/4	285 292
BUGA	RWCRLD		00 lbs; cent	a/lbs	May	295/0	298/2	307/0	294
	Close.	Previous	High/Low		Sep	271/4	268/0	277/0	270
Oct	11,35	12.08	12.44	11.25	Dec	258/4	257/4	263/0	257/
Mar	10.38	10.53	11,03	10.36	WHEA		min; cents/	tolb-bushet	
Mey Jul	11.30	11.52	11.80	11.90	·	Ciose	Previous	HightLow	
Oct	10.76	11.26	10.76	10.76	Dec	361/4	351/6	369/4	357
COTS	DN 50,000	Cents/ibs			With	377/8	364/6	361/4	308/ 373/
	Close	Provious	High/Low		May	306/0	351/0	305/0 .	356
Oct	56.80	57.36	57:70	86.80	Jut	- 331/0	327/0	342/Q	328
Dec	55.63 56.10	56.00 56.70	56.26	55.63			,000 lbs; cen	ka/itae	
May	57.00	57.17	56.85 57.40	55.10 55.95		Close	Previous	High/Low	
Jul	57.45	57.65	57.80	57.45	Aug Oct	68.45	65.87	66,85	66.0
Oct Dec.	58.15 57.85	58.00 · · ·	68,25 ·	50.15 57.80	Dec	00.62 71.40	37.65	72.00	67:9
		15,000 lbs;		01.00	Feb	72.37	71.85	72.95	71.
					Apr. Jua-	73.37 73,37	72,85 72,72	73,97 73,65	729
	Close	Previous	High/Low		Aug	70.85	70.00	75.40	73.0
Sep Nov	186.96 178.95	184.35	157.80 179.20	163.75	Sep	71.00	71.80		0
Jan	172-40	171.20	173.00	177.25		063 30,00	0 ib; cente/i	be-	
Mar May	171.40 170.49	170.00 169.00	171.80	171.15		Close	Previous	High/Low	
Jul	169.15	168.00	170.50 0	170.50	Aug	45.87	45.30	46.25	46.1
Sep	169.16	168.00	0- · ·	ō	Dot. Dec	39,95	39.82	40.60	39.5
Nov	189.15	185.00.	<u>د</u> .	.0	Feb	44.52	42,57	45.30	42.2
			•••	•	Apr	44.17	44.90	45.37	12.9
1960					Jul, Aug	49.50 49.15	50.20 48.30	60.70 49.15	49.5
REL	TÉRS (Ba	te: Septem	ber 18 1931	- 100			18,000 lbs; of		0
		. July 25				Close			
1	1943.2		1992.1	1624.8	Aug	32.95	Previous	Nigh/Love	
001		Dase: Dec.			Feb	52.95	34.80	95.57 64.00	32.9 52.6
Spot					Mar	52,62	52.62	54.00	62.5
	135.63		143.55	128.30	Jul	53.90 53.80	54.15	55,30	53.6
· I					Aug		- 53.02	65,30 53,35	63.5 (2.7

## CURRENCIES, MONEY AND CAPITAL MARKETS

LIFFE US

**FINANCIAL FUTURES** 

THE COMBINATION of poor

THE COMPANY TON OF POOR UK trade data and disappoint-ing US GNP was hardly a com-bination for establishing a pos-itive trend in yesterday's Liffe

market. Long gilt prices started with a firmer bias, underpinned by sterling's early improvement, but the trend

was quickly reversed on news of a £1.02bn current account

However attempts to push

leficit in June.

STTE LINE GET FUTURES OFTENS

## FOREIGN EXCHANGES

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## **Dollar slips on GNP data**

dollar's risk since last Friday, came to an abrupt halt yester-day, with the release of disap-pointing US GNP data. Second quarter growth rose by an ann-ualised 3.1 p.c. spainst 3.6 p.c. in the first quarter. While the rate of industrial growth appeared to have slowed, the rate of inflation continued to rise. with a 6.1 p.c. second quarter price deflator. Many analysts reky on the fired weight price index, which showed an even larger increase of 4.7 p.c. of 4.7 p.c. At flist glance, the figures

At invergence, the figures were seen as presenting the worst of both worlds - falling growth and rising inflation. However, analysts were quick to point out that there was a significant reduction in stock-building, which had not been expected until the third quar-ter, and stripping out this neeter, and stripping out this neg-ative element gave a rise of

ative element gave a rise of nearer 5 p.c. But this was not enough to provide relief for the dollar, especially after persistent intervention by the Bundez-bank and the US Federal Reserve, and modest sales by the Bank of Baly. The US unit had been as high as DML 8760 before the figures were announced, but slumped soon after to DML 8560. The weaker trend continued and the dollar finished in London at

Close.

1.7085-1.7895 0.34-0.35mi 1.06-1.02mi 3.39-3.29mi

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Garrence Garrence Unit

Charges %

148177388977884 1492977388977884

July 22 - Dentions

24223447333

Special" Drawing Rights

0.759138 1.30549 2.57768 90.7185 91.64918 50.7185 91.64918 2.42195 2.42195 2.73500 8.16910 1700.77 172.651, 8.75314 159.9460 8.2651, 8.75314 159.9460 8.2652 193.346 8.701502

£ IN NEW YORK

STERLING INDEX

CURRENCY RATES

Latest

1.7260-1.7270 0.37-0.36em 1.09-1.06em 3.52-3.62em

34y 27

3 months

8.50 9.00 10.00 11.00

Nom 100 200 3.00 4.00 SIL ----

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"All SOR mens are fer ......

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CURRENCY MOVEMENTS

Endorsed Server

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**OTHER CURRENCIES** 

MONEY MARKETS

July Branch

THE SPECULATIVE surge which has underplaned the dollar's rise since hast Friday, came to an abrupt halt yester-day, with the release of disap-pointing US GNP data, Second quarter growth rose by an ann-ualised 3.1 p.c. against 3.6 p.c. in the first quarter. While the rate of industrial growth appeared to have slowed, the rate of industrial growth quarter price deflator. Many

commitment. Sterling fluctuated quite sharply before finishing towards the day's best level. Disappotating trade figures for June, which were released two. hours before US GNP data, pushed the pound weaker, but the trend was quickly reversed after the dollar started to decline. However the pound's recovery was initially only against the dollar, and it was only later in the afternoon that it broke above DMR 19 once again. There were no obvious signs of intervention by the Bank of England but the key DM320 level remained intact. The pound closed at

42.4082 7.40212 2.65925 6.90405 2.51945 6.768411 1413.56

Day's

1.7005-1.7390 2.0390-2.0315 1.594, -1.61 1.594, -1.61 1.594, -1.61 1.1840-1.1195 3.114, -5.195 3.114, -5.195 2.56, 00, -268, -55 2.56, -206 1.1534, -11.694 1.1534, -11.694 1.1534, -11.694 1.1534, -11.694 1.1534, -11.694 2.254-2.284 2.254-2.284 2.254-2.266

Day's.

17005.17759 14325.12830 12055.12839 20750.221170 38.35.3525 7.004.7.12 18900.21854 1990.21854 1990.21854 211.55.122185 4.371.4.374 4.321.4.37 4.321.4.42 4.331.4.42 131.66.131.545

Instant are quoted in WS currency. currency. Delping rate is for one

342.27

Belgian rate is 3.35-3.25 cpt

149.27

Seren and a seren

HX and In

1 5 5 0

DM3.1925 from DM3.1875 and Y227.25 against Y227.00. It was also higher against the Swiss franc at SFr2.6550 from SFr2.6475 and FFr10.7575 com-pared with FFr10.7475. Against the dollar it improved to \$1.7260 from \$1.7135. On Bank of England figures, the pound's exchange rate index rose to 76.5 from 76.4 at the opening and 76.2 on Twesday. The D-Mark fared badly against the yen during the morning, falling to a record low of Y71.07 at noon. It recov-ered soon after however, as the dollar fell sharply against the D-Mark but only slightly in yen terms. The West German unit was quoted at Y71.21 later in the day, but dealers were

in the day, but dealers were still expecting the yen to move to new highs against the

inconsistent with Japan's favourable economic performance.

olbr 1.97-1.87mm 12

166-1 10 par 126-1 10 par 128-0 364: 0.28-0 364: 0.28-0 30pa 126-1 32par 165-1 32par 165-

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Oue month 3.4 Three months

242437788888843136488291

makens and discounts apply to the US dollar and not in the use Financial from; 39,00-39,10

6.37-0.34cpm 9.10-0.150% 0.11-0.150% 0.59-0.38cpm 5.59-0.00cpm 0.264-0.30cpm 0.204-0.30cpm 22-0.290% 22-0.290% 0.59-0.45cpm 0.59-0.45cpm 0.59-0.45cpm 0.45-0.43cpm 0.45-0.43cpm 0.45-0.43cpm

#### EMS EUROPEAN CURRENCY UNIT RATES Ecu custoal pates Garrency amounts against Eco July 27

43.6246

7.90899 2.06370 7.02131 2.35145 0.775552 1539.86

Close .

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Pres. 94-06

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#### Giose يور) See Estimated Volume 0 (22) Previous day's open lat. 78 (100)

5% INTERNAL LONG TERM JAPANESE GOVE. NORD VINGE 1000s of 100% Close High Low Pres. 102.85 102.85 102.45 102.72 101.12 100.95 DOLLAR SPOT- FORWARD AGAINST THE DOLLAR See Dec

#### Estimated Volume 849 (555) Previous day's open Jal., 903 (883) 2091 131 340 335 2348 887 524 HIGE MONTH STERLIN 180,000 paints of 185% Clase 39,12 39,29 39,46 39,56 High 19,17 19,36 19,53 19,53 Low 88.96 89.14 89.40 89.58 Prev. 89.03 89.21 89.43 89.57 Est. Vol. Onc. figs. not shown) 19959 (10553) Previous day's open int. 40411 (40945)

Sep Dec Mar FT-SE 100 DUDEX 525 per full index paint 183.60 182.30 Sep. Dec

Close 183.50 185.15 183.25 183.25

Strong pound boosts values values lower were met with lit-tie success, and with the dollar falling after US GNP figures ling recovered in the afternoon that institutions came back that institutions came back into the market to push values towards the day's highs. The September price fell from an opening level of 89.04 to a low of 89.95, before recovering to 89.12 at the close, up from 89.03 on Tuesday. Trading volume was much improved after a lacklustre start to the week, with over 18,000 lots trade in short sterling. failing after US GNP figures were announced, so investors continued to buy gilts. The September price opened at 94-12 up from 94-10 on Tuesday, and touched a high of 94-21 before finishing at 94-17. Three-month sterling depos-its were pushed lower, as cash rates rose after the trade fig-ures. and it was not until size-

ures, and it was not until ster-

LIFFE FT-SE BIBEX FUTURES OPTERIES Strike Price 17500 17500 18500 18500 19500 20000 Pats-setil Aup 13 56 173 403 749 1181 1658 Calls-set ansana a Readines's NENREFES Estimated volume total, Calls 0 Puts 0 Previous day's open lat, Calls 6 Puts 112

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Estimated volume total, Calls 1075 Puts 1514 Previous day's open int. Calls 12317 Puts 11211

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Der 2.85 4.75 7.45 10.75 14.65 12.20 17.60

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Low Prev. 265.25 266.15 267.80 268.50 270.10 270.65 272.00 272.60

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	п.	Lloyds Bank	105	Association, * 7 day deposits 4.38%
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MURO-CURRENCY INTEREST RATES	Extinuited Volume 1165 (1967) Presions day's open int. 9904 (1953)	
Judy 27 * * Shart 7 Days Ope Thrue Star One form	THREE MONTH EUROPOLLAR	This announcement appears as a matter of record only.
Status         Status<	Sep.         91.26         91.61         91.54         Low         Pres.           Sep.         91.26         91.26         91.27         91.35           De:         91.26         91.26         91.22         91.36           Hor         91.20         91.20         91.17         91.21           Hor         91.23         91.20         91.21         91.21	azet
	Jon         92.03         92.03         92.04         92.02         92.04           e         Est, Vol. (inc. figs. pot shown) 7459 (4607)         Previous day's open int. 37597 (37360)         105	JAGUAR Jaguar pic
Acting \$500		£200,000,000
EXCHANGE CROSS RATES	Estimated Volume 9917 (7987) Previous days open int, 7358 (7235) CURRENCY FUTURES	Multiple Facility
Jugh 27 E S DM . You F Fr. S.Fr. N.FL . Lina CS 8 Fr.		Lood Managem
\$ 1.736 3173 2273 10.76 2455 3198 2289 2084 64.7 \$ 0,579 J 1870 131.7 4224 1536 2085 1346 1.207 364		Lead Managers
1117 736.5 0.541 1 71.10 3.570 0.672 1.127 736.5 0.653 20.0 TEN 4.399 7.563 34.05 1000. 47.34 31.60 15.63 18874 9.168 293.	4 Estimated Volume S (17)	Citicorp Investment Bank Limited
5 Ph 0.377 0.550 1.263 65.41 4.653 1 1.555 6801 0.765 24.	Previous day's open Int. 167 (156) POUND-\$ (FORELEA EXCHANGE)	Lloyds Bank Pic
H FL 0.278 0.490 0.397 63.17 2.991 0.798 1 555.4 0.579 14.1 Lin 0.4924 0.332 1.354 94.49 4.545 1.125 1.526 15000 0.584 252		
	DIN-STERLING Se per S	Managers
a ris and and and a start and a start and a start a st	Latest         High         Low         Pre.           See         1.7218         1.7726         1.6774         1.7054           Dec         1.7314         1.7240         1.6974         1.0754           Mar         1.7050         1.7100         1.6000         1.6074	Midland Bank plc   The Sumitomo Bank, Limited  The Bank of New York
Van per 1,008: Pagesh Fr. per 10: Lina per 1,000: Belgian Fr. per 100,	1 Mar 17050 17100 16800 16874	Barclays Bank PLC   Citibank, N.A.   Credit Suisse
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er despite (1.00 a.m. 440/27) 3 mpette US datar	bid 8½ offer 8%	
The Pulse rates are the artificatio intest reacted in	s the manent one-storemule, of the bid and affered rates for \$20m to a.m. each working day. The banks are Mathemat Westminster Lional de Paris and Morgan Concenty Treat.	Co-Managers
figures	Lional de Paris and Morgan Concenty Text.	The Bank of Tokyo, Ltd. • The Fuji Bank, Limited • Istituto Bancario San Paolo di Torino
NON	EY RATES	Westpac Banking Corporation  The Bank of Nova Scotia  Morgan Grenfeli & Co. Limited
These were partly offset by	Treasury Bills and Bonds	
Added S25m. (Lunchine) German	5.96 Tone year 8.51	Tender Panel Members
The Bank gave assistance in Startin - 945 Stream the morning of \$199m through State - 745 Stream sector and Stream Stream - 745 Stream - 745 Stream - 745 Stream - 745 Stream - 745	5.%         Three year         8.51           6.72         Fouryour         8.64           7.137         Processor         8.74           2.48         Schull year         8.96           7.23         10.948         9.09           8.37         2.39         9.39	The Bank of New York  The Bank of Nova Scotia  The Bank of Tokyo, Ltd.
Auffight Bolthanger of the		Barclays Bank PLC  Citicorp Investment Bank Limited  Credit Sulsse
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LONDON	MONEY RATES	
Interest rates in Frankfurt remained at their effective cell-		Facility Agent & Sterling Tender Agent
Ingraf 45 p.c., the same as the Loundard rate, ahead of today's. meeting of the Bundesbank central connecil. Mr Earl Otto Leal Authority Bonts. Poehl will not be attending the meeting, but a majority of trad- fincepase in the Lomhand rate incepase in the Lomhand rate increase in the Lomhand rate is the Low Pathana cellur Cap		Lloyds Bank Pic
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D. Mark's poor performance Local Authority and Finance House seven a	anys' notice, others seven days' fixed, Fleance Houses	

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**Rates lower despite** poor trade figures

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UK INTERENT rates moved erratically in London yester-day, in reaction to key aco-nound data, and sharp swings in stacking's value. At the end of the day, three-month fater-bank money finished lower at 1018-1018 p.c. from 1018-1018 p.c. on Theseware satisfance in the moning of \$199m through outsight purchases of \$21m of eligible bank hills in band 3 at 1018 n.e. and russ further to 11-1078 p.c. and £168m in bond 4 at 1078-1018 p.c. The split rate was reparded as symptomatic of discount houses' desire to part with long dated paper, in the face of upward pressure on interest as an face of upward pressure on interest was no suffer intervention during the after base and the set intervention during the after provide

trade figures for June. How ever similar recovered from an initial dip, after the dollar fell on lower than expected 155 GNP data. Consequently rates came back to finish at the day's how. Overnight interheak money reached a high of 10% p.c. but eased away to finish at 7% p.c. The Bank of Sugland fore cast a sherings of around together with factors affecting the market including bills maturing in official hands and a take up of Treasure bills fogether with repayment of size in its assignance draining f232m. There was also a rise in the note circulation of size in the page draway to finish at the market including bills at the up official hands and a take up of Treasure bills for a shore target money sup-five and baaks brought forward

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## **UNIT TRUSTS** Link Case. Bid offer + w Yield Chape Price Price Price - Gri

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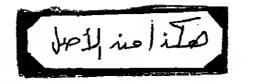
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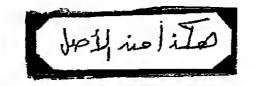
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Stock Fat Mentic Part -Linked ept Ltd. $\begin{array}{c} \label{eq:price} Price & + \mbox{ or } \\ \mbox{$\frac{1}{2}$} & - \mbox{$\frac{1}{2}$} \\ \mbox{$\frac{1}{2}$} & - \mbox{$\frac{1}{2}$}$ +1.42 1.1.1 麗 в (1) (2) Amar SL. ∃ 1.5546 16 y Amorati Sc. 22Amer. Cyaumid SS. 11 y Amer. Cymess 60c... 668p Amer. Medical Urt. S1. 13 y American T. & T. S1. 44 y American T. & T. S1. 16 y American S. 13 y American St. 13 y American St. KAV NTEL 10.10 IDR value US\$66.71 111 State SUSTLIA SPELT 61 NM Schreder Life An Des 273 St. Peter Pert, Son Huge Description Fuel. 108 nce Int Ltat 9.107 -0.10 Prospective real restemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures to parentheses show RPI bace month for indexing. (Ge S months prior to impe) and have been adjusted to reflect retaining of RPI to 100 in January 1067 293 Raring Fand Ma Barles Connects Frond us Giunganty) List 52672 Ben 141. St. Party Port. 1015 10 324.70 1802 INT. 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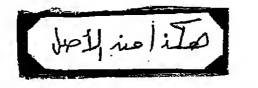
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441       322       Alled-Lyons       421       +2       13.0       2.3       4.1       12.7       256       252       367       255       -5.0       3.1       2.64       14.0       255       -1.0       255       -1.0       256       -252       172       255       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       -1.0       256       217       216 <th>120         123         124         120         123         123<th>2111       B8/Feiatro 200       277      </th></th>	120         123         124         120         123         123 <th>2111       B8/Feiatro 200       277      </th>	2111       B8/Feiatro 200       277			
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11       11       11       12 <td< th=""><th>146       1231G1 1p.       1245       147.73       6 4.41       9       1       5664.01162 Rests. 507       73       11.1       14.20142         170       0357 feetometrus 10p v       11.8       1.5       8.1       1.7       97.7       12057 feetometrus 10p. v       13.4       0.9 (0.67.5)         5001       4007 feetomine P500       476       01.%       6.5.7       9       4505 rand Netron 50p. a       472 +1       +12.0 (1.4.2)         511       1517 feetometrus 20p       8       235       8       1.5       9       4505 rand Netron 50p. a       472 +1       +12.0 (1.4.2)       13.3 (10.2)         244       1927 feetometrus 20p       8       51       54.4 (1.2.2)       14.8       11.2       254.4 (1.2.2)       12.0 (1.4.2)       10.2 (1.4.2)</th><th>801       522/stanutGegi Tech. 50.       647-2       0.5       611       111       &lt;</th></td<>	146       1231G1 1p.       1245       147.73       6 4.41       9       1       5664.01162 Rests. 507       73       11.1       14.20142         170       0357 feetometrus 10p v       11.8       1.5       8.1       1.7       97.7       12057 feetometrus 10p. v       13.4       0.9 (0.67.5)         5001       4007 feetomine P500       476       01.%       6.5.7       9       4505 rand Netron 50p. a       472 +1       +12.0 (1.4.2)         511       1517 feetometrus 20p       8       235       8       1.5       9       4505 rand Netron 50p. a       472 +1       +12.0 (1.4.2)       13.3 (10.2)         244       1927 feetometrus 20p       8       51       54.4 (1.2.2)       14.8       11.2       254.4 (1.2.2)       12.0 (1.4.2)       10.2 (1.4.2)	801       522/stanutGegi Tech. 50.       647-2       0.5       611       111       <			
400 - 2018/02/19/3 200	1229       Willystin Select 200 - y       100 - 2       123 (34 23 43) 10.0         1277       3500 Wildstak Fit Jiby       421 - 10.02       2.3 (24 13) 10.0         1277       360 Wildstak Fit Jiby       471 - 10.02       2.3 (24 13) 10.0         1278       471 - 10.02       4.3 (13 - 10.0)       2.3 (24 13) 10.0         129       923AAF inst. 7 <sup>1</sup> / <sub>2</sub> 0 - y       10.22       4.9 (10.22)         129       104APV 100       9140 - 10.02       10.22 (24 49) 10.2         129       104APV 100       9140 - 10.22       4.9 (10.22)         129       104APV 100       9140 - 10.22       7.5 (24 30) 10.5         129       104APV 100       9140 - 10.22       7.5 (24 30) 10.5         129       104APV 100       924 4.4       19.4 (24 3.4 15.9)         129       104APV 100       92.4 (24 3.4 15.9)       102 (25 14) 12         129       120 Adversate Eng       92.4 (24 3.4 15.9)       102 (25 14) 12         129       120 Adversate Eng       92.4 (24 3.4 15.9)       110 (25 0.0)       125 (25 0.1) 12         129       120 Adversate Eng       192.4 (24 3.4 15.9)       110 (25 0.0)       128       128         129       120 Adversate Eng       192.4 (20 0.0)       128 <t< th=""><th>403       312       Kale Group 15p.       373      </th></t<>	403       312       Kale Group 15p.       373			
201       1206 530.00 - 94.1       173 </th <th>36081 Grows 100       9       12       62       0.8       22.2       236.2       236.4       1.00       1.0       1.0       245.4       1.02       1.0       1.0       236.4       1.00       1.0</th> <th>160       1100.7 Spt Civit 91/96.       128       75%       111       19       20       20       41       42       31.0       43         160       40       60       60       60       60       60       40</th>	36081 Grows 100       9       12       62       0.8       22.2       236.2       236.4       1.00       1.0       1.0       245.4       1.02       1.0       1.0       236.4       1.00       1.0	160       1100.7 Spt Civit 91/96.       128       75%       111       19       20       20       41       42       31.0       43         160       40       60       60       60       60       60       40			
165       120 Here & Croft 100v       -1       1385       3.4       5.3       11.5       233       160 Wilding 0H. 100v       7322       7322       3.3       1.9       200         1370       259 Hiereood Williamsp       +3       9.5       5.2       4.1       10.2       140       90 Windsmoor 5p       11.4       7322       6.31       6.7         1370       2591 Hiereood Williamsp       +3       9.5       5.2       4.1       10.2       140       90 Windsmoor 5p       11.4       4.4       6.7       -7.2       -7.2       170       99 Windsmoor 5p       11.4       4.4       6.0       -6.7       -7.2       -7.2       170       99 Windsmoor 5p       11.4       4.4       6.0       -6.0       -6.7       -7.2       -7.2       170       99 Windsmoor 5p       11.4       4.4       6.0       -6.0       -6.7       -7.2       -7.2       170       99 Windsmoor 5p       11.4       4.4       4.0       -6.0       -6.7       -7.2       -7.2       12.4       3.0       1.4       1.0       -7.2       9.0       2.7       4.3       10.6       -6.7       -7.2       -7.2       9.0       2.7       4.3       10.6       -6.7       -7.2	530       Generating Grand Su. v       6400 +5       112.6       3.7       112       124       590 Gamma Rubber 61	AD         Instructure Internet         Sec         Fill         Sec         Fill         Sec			

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FINANCIAL TIMES THURSDAY JULY 28 1988

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## LONDON SHARE SERVICE

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## LONDON STOCK EXCHANGE

## Firm pound helps equities and Gilt-edged brush off disappointment with UK trade figures for June

Account	t Dealing	Dates						
"First Deallogs: Jul 18	Aug 1	Aug 15						
Option Declaration Jul 28	Aug 11	Sep 1						
Last Deallogs: Jul 29	Aug 12	Sep 2						
Account Day: Aug 8	Aug 22	Sap 12						
New time dealings may late place from \$.05 am two business days certier								

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A FIRM pound came to the rescue of the UK securities mar-kets in late trading yesterday, ng both Gilts and equities to beloing both Gilts and equities to rally from the effects of disap-pointing UK trade figures for last month.

It was a confusing session, with the £1.02bn deficit on the June current account at the high end of City estimates and reviv-ing fears of another rise in UK base rates. Share prices extended early falls as the trade figures sent London money market rates ahead and the pound weakened. However, equities railied whan the Bank gave a "no change" sig-nal on rates, receiving further encouragement later when the pound's gain also reduced the likelibood of an early riss in downeric integer trates

domestic interest rates. Market turnover remained dis-appointingly thin until the final hour when there was good demand for the international blue chips. ICI, although still easier at tha close, attracted some support from the US abead

some support from the US anead of today's trading results. Another source of excitement towards tha end of the day was the surprise news that the UK Governmant is to redeem its Golden Preference Share in Amersham International, the formerly State-owned medical technology group. Amersham soared as the market perceived that it is now in the takeover frame – the problhition on individual holdngs of more than 15 per cent of the equity may not prove "a valid protection", according to Dr Arnab Banerii of Nomura Securi-

The FT-SE Index, down 9.2 points in the wake of the June trade figures, rallied to close a net 3.1 up at 1840.8, a welcome return to the 1840 support line, according to the last support fine, according to the chart analysts. Seaq volume rose to 363.9m shares (338m on Tuesday), but activity was concentrated on a few sectors.

Banking stocks were in the Banking stocks were in the limelight again as Midland Bank followed NatWest onto the interim reporting list. With Bar-clays and Lloyds due to complete the reporting round this week, the market is welcoming the absence of further banking provi-sions against LDC debt. Government bonds closed with

gains of % or so at the longer end and the shorts showing similar gains after topping off in late trading, Turnover was again

thin, although some houses claimed to bave seen modest overseas support.

Despite the market's relativ calm response, traders percer the June trade deficit figures a disturbing confirmation that current account is deterioratin With the exception of momentary upset in money n kets, bonds stood up well, w the pound's firmness provid the chief support. The disclos of a 3.1 per cent gain in US in the second quarter and a per cent gain in the defla found little direct response London bonds

Among the clearing banks, Among the clearing banks, t interim reporting season cont ued with Midland falling 7 437p despite general satisfacti-with pre-tax profits of £313m f the first half, and a divider increase comfortably above ma-ket expectations. While Midland's trading peri

While Midland's trading perfor-mance was widely admired, the market still regards the shares as too highly rated, following their resilient performance over the past few months. "We're still looking to sell Midland shares", commented Salomon Bros. NatWest fell sharply as some analysts continued to look askance at the low equity/asset ratio disclosed in Tuesday's trad-ing report, closing above the worst, e net 13 down at 565p.

ing report, closing abova the worst, e net 13 down at 565p. Barclays eased 7 to 408p as the market waited to see if the bank will follow Midland's generous lead in dividend payout. Lloyds, reporting on Friday, shed 3 to 307p in fairly brisk trading. Shares in TSB shaded to 108p as the bank announced a £135m issue of sterling mortgare backed

issue of starling morigare-backed securities, becoming the first British bank to enter this £2.5bn UK market.

Composite insurances were again active, closing with ragged changes as the sector responded to conflicting views from leading analysts. Country NatWest marks the sector a "buy" because bid prospects in the sector are "mas-sive" whilst bigh yields still take no account prospective dividend growth. However, BZW, which also publisbad a heavyweight review of the sector, recommends using "any strength as an oppor-tunity to lighten composite hold-

This two-way pull left General Accident 3 off at 910p and Com-mercial Union 2 better at 383p. Among insnrance brokers, Starge Holdings jumped 15 to 2810 Amersham, the specialist

chemical company, surged 25 to 470p after the late announcement that the preference share issued to the Government in 1982 would be redeemed. In hectic trading the price reached 480-bid before failing back to the closing level. There was some confusion as to whether the announcement

**FT-ACTUARIES SHARE INDICES** 

FINANCIAL TIMES STOCK INDICES

			r —	<del> </del>						
	July	July	July	July	July	Year		68	Since Compliation	
	27	25	2	22	21	Ago	High	Low	High	Low
werpment Secs.	87.84	87.90	87.92	87.88	87.92	88.67	91.43	86.97	127.4	49.18
	1			1			0.8/40	0.3/10	(9/1/35)	0,1,75
ued interest	97.42	97,40	97.44	97.39	97,38	96.43	98,67	94.14	105.4	50.53
	·	1					(25/5)	(18) 19	(28/11/47)	G/1/75
dinary 🕈	1478.8	1473.0	1474.1	1479.4	1496.9	1874.4	1510.5	1349.0	1926.2	49.4
							aim	08/20	0.6/7/87	(26/6/40
old Mines	209.4	213.2	215.0	214.7	216.2	454.2	312.5	195.4	734.7	43.5
				1	}	}	(7/1)	03/5)	0.5/2/83)	(26/10/7
rd. Oly.Yield	4.57	4.58	4.57	4.55	4.50	3.07		S.E AC	TIVITY	
arnings Yid. % (full)	11.56	11.61	11.61	11.56	11.43	7.45	in in	dices	July 26	July 25
E Ratio (netX*)		10.52	10.53	10.57	10.69	16.52	Olit Edged	Bargalins	100.8	111.0
									1 153.3	153.8
AQ Bargalas (Spm)	19,604	22,693	21,933	23,221	24,011	51,519	Equity Valu		1503.6	1396.1
quity Tarnover (Em)	- 1	743.88	691.68	960.84	1196.50	2082.60		ige		126.0
quity Bargalon	- 1	23,667	23,734	24,780	26,386	69,926		Bargains palos		164.0
bares Traded (ml)	-	291.6	267.4	360.8	407.3	828.0		C	1865.1	1991.8
				2				2		
	a.m.	11 a.r		2 p.m.	1 p.		2 p.m.	3 p.n		p.m.
1473.8 14	71.5	1471.	2 1	471.5	1472	2.4	1471.8	1471	.8   14	175.9
·		Dav's	High 1	479.2	Dav's	iow I	466.5			
Basis 100 Govt. S	- 15000		-						·	7
OBS 100 COTL S		20, 1080 (	1920, 1		1,25, 600		7,00, 5 C A	LUTIN 1974,	- 10.4	

#### LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

meant that Amersham was still

meant that Amersham was still protected from predators by its articles of association, but e con-sensus emerged among dealers that the company was now very much open to takeover. Mountleigh, the property group run by Mr Tony Clegg, dis-appointed the market with first half pre-tax profits of £70.7m, about £10m less than most City forecasts. Mountleigh ahares sub-sequently dropped sharply before stabilising later in the day. One large buyer was seen around the 160p level. 160p level.

Although Mountleigh would have money to spend after the rumoured sale of Stockley Park for around £200m, Mr Clegg would not comment on whether would not comment on whether he would renew his bid for retail group Storehouse. "Mountleigh appears to be lacking direction." said one analyst after the morn-ing press conference. This uncer-tainty unsettled the market, and Mountleigh ended the day 12 noints down at 1600.

points down at 160p. Tate & Lyle took up the run-ning in an otherwise unexciting Food sector which drifted as rumours of hids or a rights issue runnours or neas or a rights issue came to nothing. T & L shares gained 21 to 886p as word got round that brokers County Nat-West WoodMac and Hoare Govett were bullish.

Hoare has upgraded its fore-casts several times over the last few weeks and the latest 1988 figure is £115m, up £4m. County pointed out the excellent earnings potential in the US over the next two years and said Tate should survive the US drought in good shape. Reed International continued

its recent strong rise, ending the day 14 higher at 443p after touch-ing 449p twice during trading hours. Turnover was one of the highest totals in the market at

highest totals in the market at, 4.9m shares. Dealers were reluctant to give much credibility to rumours, few of which were new, although they were not ruling out the pos-shifty of a bid and confirmed that there had been buying inter-est from Europe and the US. It appeared that a shortage of stock had been eased as sellers came in at 445p and above. BPB, up 5 at 274p, traded on a lively note (some L7m shares changed hands) as Hoare Govett (HG), the securities house, rec-ommended the stock to clients. In a bullish summary of the com-

In a bullish summary of the com-pany, HG analysts suggest that the perceived threat of new com-petitors in the domestic plaster-board market has had a disproportionate impact on BPB's share, price rating.

price rating. They point out that the stock stands at a near 30 per cent dis-count to the average UK market rating and believe that with the company set to dominate the rapidly growing Suropean plaster-board market into the next cen-tury, a prospective PER multiple of under 7 is halicrously cheap. Yale & Valor climbed again in

very late trading, closing with a gain of 7 to 480p. Dealers com-mented that there had not been large turnover, with investors holding tight in the hope of a bid or deal. The cause of the late rise was unclear, although a shortage of stock was said to be partly to

A story that a third stake may

have been uncovered emerged too late for confirmation. Y&V chairman Mr Michael Montague is still in the US on a business trip which included talks with, stakeholder Ingersoll Rand. Markheath Securities, attracted attention in a dull

attracted attention in a dull Property sector after announcing it had bought 5.1 per cent of the shares in Frogmore Estates and a similar stake in Randsworth Trust. Although Markheath, which is run by Mr John Spal-vins the chairman of Adelaide Steamship, denied it was build-ing hostie stakes in the compa-nies, dealers noted that Mr Spal-vins has earned a reputation as an accretion for the comparation of the state an aggressive corporate raider. In London, Mr Ian Creber,

executive director of Markheath UK, was keeping his cards close to his chest. "All I can say is that we recognise two good compa-nies when we see them and the

## **NEW HIGHS AND LOWS FOR 1988**

NEW HYCHE (#7). AMERICANES (7) Greyhound, CANADIANS (7) Dambus Res., SECURERS (5) Bolhaven Brow-ery, Eddidge Pope "A", Foller, S.T.A., Mar-ston Thompson, BUILDMGS (8) Arcoline, Gleeston (M.J.), Rowlinzco, Tsylor Woodrow, Turff Corp., CHEMICALS (8) Alco, Transrap, Hoge, STOMES (2) Jacopies Verl, Sock Shop Intl, ELICTINCALS (8) Alco, Transrap, Hoge, STOMES (2) Jacopies Verl, Sock Shop Intl, ELICTINCALS (8) Alco, Transrap, Hoge, STOMES (2) Jacopies Verl, Sock Shop Intl, ELICTINCALS (8) Alco, Transrap, Hoge, STOMES (2) Jacopies Verl, Sock Shop Intl, ELICTINCALS (8) Alco, Transrap, Hoge, Stomes (CAL), Sony Co., ZNGMMERFIN-WG (2) Savite Gordon, W.A. Höge, FOODS (3) Salveson (Christian), Tate & Lyle, Do. T3-20C Cev Uns Ln, MEDISTRALS (11) Beav-erco, Boot (Henry), Chartwithti, Osianey, Grampien Hidge, Hornby Group, Kernbaw (A), Parter Knoff "A", Particleid Group, Famth Hidge, Spander, LEIBUINE (7) Boosery & Hawkee, Prism Leisure, Sage Hols,

Mr Alec Pelmore, property ana-lyst at Morgan Grenfell, regards both Frogmore and Randsworth as genuine takeover targets. "This confirms our positive view of the sector. For those underper-forming stocks which have not recovered well from the crash, the opportunity is there for pred-ators to come in." By the close Randsworth were 7 points bettar at 189p, Frogmore 5 firmer at 399p, while Markheath ended a

399p, while Markneath ended a penny down on 86p. International stocks were sur-prisingly resilient following the Trads figures. A sharp mark-down in prices uncovered buyers, looking for cheap stock and most falls were soon recovered. Bee-cham gained 9 to 479p, closing off, its high of 451p, after its agm. Dealers said there was a small -squeeze in the market in addition to generally positive sentiment. to generally positive sentiment. ICI was reasonably steady before today's figures, giving up just <u>k</u> to 104, as arbitrageurs nibbled at the ADRs in New York.

BOC was a notably firm per-former, rising 6 to 410p after 414p. Rumours of an influential broker's upgrading remained unsubstantisted, but dealers said the stock had underperformed

the stock had underperformed-recently and was sent on its upward path by a good buying order. Third quarter figures are due on August 10. Trent Hokinga, a good market during the previous trading ses-sion, held at 182p following the agreed cash and share exchange offer from Whitecroft, which closed 10 down at 313p.

offer from Whitecroff, Which closed 10 down at 313p. Elsewhere in the Building sec-tor, the latest takeover develop-ments failed to sustain interest. Ibstock Johnsen ran into selling after the previous day's specula-tive flurry and reacted to 186p before obsting only 2 down on before closing only 2 down on balance at 189p. Ruberoid eased to 257p before settling 4 off on to 257p before settling 4 off on the day at 261p, while Raine reacted a couple of pence more to 96p which values its cash and share exchange offer for Ruber-oid at 252p. Taylor Woodrow maintained a firm trend, improving to 548p as P&O annouced that it has increased its holding in the com-

Amstr Argyli Assoc. BAA BAT BET increased its holding in the com-pany to 8.5 per cent.

LOWS FUH 1980 NOTORS (2) Reliant Molor, Ceick Group, MENDARPENS (1) Adacena, PAPERS (4) Aspan Commit, Printech, UK Paper, Usher Walker, PROPERTY (3) Billingegale Gity, Pricest Marians 5/20 Cnv Un 2000-03. Regentered, TEXTREE (2) Atkins Bros., Beales (1), THUSTS (7) Argo Invs., OLS (2) Int Pet Corpt, Kennare Res., MINES (1) Anglo American Cost. MEW LOWS (20). Intrest Physics (1) Geodome Hea., 5708829 (8) Brown (N.), Field (Mrs.) Ned., Snith (W.H.), Summer Ind., Ward White, FOODS (2) Acatom 3 Hatcheson, Barker & Dobbon, Teeco Spc Lin 2002-07, MEDISTRIALS (1) Fergabrook, assurance (1) Archer (A.J.), TRUSTS (8) Derby Tex Writs, Lowland Inv., Soct & Merco "A", Throgmotion Wirts, Meiville St Inv Writs, MINES (2) Harlebeet, Uniael.

FINANCIAL TIMES THURSDAY JULY 28 1988

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FRC Lilley, still responding to the management huy-in and capi-hal injection proposals, advanced afresh to 579, up 3, for a two-day rise of 13. Arnchiffe jumped 10 to 1689 on bumper interim figures. In a quist Electricals sector Chincide lost 5 to 600 as bid spec-ulation receded and investors took profits. The company desided that Prudential had sold its 25m share stake, pointing out that the insurance giant had reduced its holding from 5.4 per cent to 4.5 per cent. CASE were a good mar-ket after Tuesday's agreed bid from Dowly, which now appart canadian rival Gandalf sold its 9.5 per cent stake in CASE to Dowly via Lazard Bros. CASE to Dowly via Lazard Bros. CASE

finally closed tuppance better st. finally closed tuppence better 47. 1840. Thorn EMI firmed 4 to 6350 after Chase Manhattan upgraded its profits forecast for Thorn from £290m to £300m for the com-ing year. Chase is taking a more optimistic line because Thorn's Inmos subsidiary is reported to have turned last year's £10m loss into a £5m plus profit and because of planned changes in the accounting policy for the group's television retail and rental business, which, says Chase, should add about £20m to profits. Bullough, still reponding to

profits. Ballough, still reponding to the good interim figures and the proposed acquisition of Atal, a leading French furniture mann-facturer, edged up a few pence further to 481p.

further to 481p. Motor issues contained few fas-tures. Quicks Group spurted higher when an early buyer found the market short of stock but soon slipped back to settle 5. up on balance at 152p, after 157p. Reliant Motor were quoted ex-rights at 450 with the new nil-paid shares at 9p premium. A good interim trading state-ment failed to generate any buy-ing enthusiasm for Allied Tar-tile. little changed at 3650.

ing enthusiasm for Allied Ter-tile, little changed at 369p.

Elsewhere, occasional demand lifted Athing Brok. 25 to a 1898 birth of 3550. National Home Loans, a weak demai demand

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high of 3551. National Home Louns, a weak market of late, remained at high despite advice from BZW that market works over the effect of higher interest raise on the toba-pany's profit margins are not fig-tified. Analysis from the secur-ties house visited firs company recently and leadned that current trading performance is in link with expectations for the year. Oil traders repeated another colouries day of below-average inquiry and predous little price more than the bulk of the business, but orders were evenly balanced, giv-ing marketmakers no cause to alter their quotes. The independents tended to soften, with Enterprise drifting easier before railying late to close a net 5 up at drip on hopes ther the colour them in the

easier before railying late to close a ust 5 up at dtop on hopes that the Golden Share in the group could also be redeemed. Ex the capitalisation issue. Premier closed 3% easier at 60p. The July expiry date boosted bushness in Traised Options, and eventually 50,670 constracts were exchanged, of which 23,630 were calls and 16,000 pubs. The FT-SE 100 index signin astracted intes-est, with 4,690 constracts, as did British Ges (3,360 calls) and EP (1,063 calls and 2,637 puts). Traditional Caltures

Traditional Options

• First dealings July 25 • Last dealings Aug 5 • Last declarations Oct 27

For Settlement Nov 7

• For Settlement Nov 7 For rate indications see end a London Share Service Dealers reported a quieter day in the Traditional option market. Stocks to attract money for the call included Ibstock Johnson, ASDA, Chioride, Tesco, Dee Cor-poration and Cambian Venture. A put was arranged in Charter hall, while Caloride were dealt in for the double. in for the double.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ

					Mark
Stock	Volenae 000's	Stock .	Volume 000's	Stock	Voleme 000
		Ceneral Accident	' 260	Prodential	544
Group	2,600	Gentral Elect.	2.500	Rach!	2,700
Life			1,200	Rank Org.	110
Lyons	1,000	Globe Investment	62	RMC	233
	1,200		956	RHM	375
Brit, Foods	119	Gragada	754	Reckitt & Cointag	132
	2100	Grand Met.	1,000	Redland	1.000
		GUS "A"	- 111	Bland Load	4,900
	1,900	Contraction of F	658	Restars "D	269
	537	Gourdian R.E.	7%	RTZ	968
		OKN	1,500	Rolls-Royce	1.600
	1,600	Coloness.	34	Rothmans "B"	636
nds	1,700	Hammerson		Ryl Bank Scotland	911
	740	Hanson	3,700	Royal Insurance	1.000
ays	1,500	Hawker Siddeley			1.800
	423	Rifisdown Holdings .	1,400	SIC	491
All and a subset of	1,800	INI and the state of the state	479	Sautchi & Sautchi	1.300
AFTOW MALE	2,600	ICI	164	Scott & Newcastle	1,200
Circle	292	Inchcape	668		2,300
	2,300	alagenter annene bereinenter		Sears	609
All WRYS	1,100	Ladbrokt	1,100	Shell Transport	1,500
Aerospace	1,000	Land Securities	617	Smith & Nepher	313
Se Conseil,	1,000	Laporte	412	Standard Chartered .	833
h Cas	3,700	Legal & General		Storehouse	81
the second second second	2,400	Lloyds Bank	1,000	Sen Allance minute	
Telecom	878	LASMO	690	T & N	1,600
ah Oli	. 99	Lourto	1,400	TS8	
T	3,200	LUCES	317	Tarnac	1,700
& Wireless	709	MEPC	405	Tate & Lyle	780
ry Schwepper,	2,100	Marks & Spincer	3,900	Tesco	5,700
Viyelts	2,600	Maxwell Comm.	537	THORN EMI	668
sercial Union	748	Metal Box	174	Trafalger House	309
Gold manharter	620	Midland Bank	2,600	Trusthouse Forte	479
00	671	NatWest Bank	3,600	Ultramar'	963
buids	1,000	Next	932	Unitever	401
V	294	Northern Foods	752	United Biscults must	2,600
progration	1,500	PERSON	80	Wellcome	554
	1,400	Pearl Group	132	Whitbread "A"	1,100
th China Clays	679 .	P&O	537	Williams Holdings.	434
arise Oll manage	1,100	Pilkington measure	504	Wimpey	1,400
abcock	176	Pleasey	1,300	Wooheerth	508
	2,700		-		
			-		

**RISES AND FALLS YESTERDAY** 

Fails 34 1

Same 24 35

LONDON TRADED OPTIONS PUTS

 23
 48
 55
 1
 6
 10

 212
 27
 37
 2
 16
 22

 1
 10
 18
 40
 43
 48

9 16 19 14 4 8 4 512 9 1212 16 20

These indices are the joint compliation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

# NEW HIGHS (87).

BOCL BPBC BTR. Barcli Constar Constar Constar Constar

Dee Co

FKI Ba

2243

CALLS PUTS Ang. Nov. Feb. Ang. Nov. Feb.

LASMO 420 44 60 87 2 17 (\*460) 450 14 36 60 12 36 500 2 22 38 42 57

500 70 80 94 2 5 550 22 40 57 6 18

P. & 0. (\*565.)

CALLS Option Jel, Oct. Jan, Jul. Oct. Jan,

390 420 460

140 160

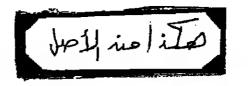
Allied Lyons (\*421.)

Brit, Almags (\*148 )

fact that the announcements were made on the same day is purely coincidental." However,

EQUITY GROUPS	Wedn	esday July 2	7 1988		Mon Fr Jul Ju 25 21	i Year ago (approzc)	Brit, & Comm. (*243 )	180 220 240 260	23 3 1	2 35 20 10	4 3 28 17 11	36 1 1 1 2 12 2 3	37 9 16 30	Plikington (*207 )	600 3 180 30 200 12 220 3	20 37 24 14	34 49 28 20	40 50 1 3 4 7 17 20	57 12 23	Industrials         324         370         895           Financial and Properties         107         181         369           015         34         25         51           Plantations         0         3         10           Miles         34         67         90
& SUB-SECTIONS		Est. Gross Earnings Giv. Yield% Yield%	Est. P/E xd adj. Ratio 1988				8.P. (*259 )	240 260 280	20 3	20	32 19 10 2	1 134	16	Plessey (*165 )	140 27 160 9 180 1	19 19	35 23 13	$\frac{1}{2}$ $\frac{1}{10}$	2 3 <sup>1</sup> 2 14 22	Mines
Figures In parentheses show number of stocks per section	Index Day's No. Change	Est. Gross Earnings Oiv. Yield% Yield% (Max.) (Act at (25%)	P/E xd adj. Ratio 1986 (Net) to date	Index No.	index ind No. No	x Index No.	Bass (*780 )	750 800 850	32 1		70 1 10 20 21 73	12 35 80	23 48 90	Prodestia) (*166.)	150 18 160 10 170 3	2 10	18	1 4 8 11	8	Totals
1 CAPITAL 600DS (209)	802.69 +0.2	18.01 3.9 11.22 4.1	10.93 18.65	1014.12	1002.21 1005	72 1013.58	Cable & Wire (*368 )	888	38	222	60 40 25 Z	130	岩	Racai (*331.)	300 32 330 10 360 2	29 16	54 36 23	1 8 9 19 32 36	1204	LONDON RECENT ISSUES
4 Electricals (12)	1608.23 2176.53 +0.1 1752.88 +8.2	10.37 3.3 8.52 4.5 9.70 3.4	8 14.50 48.13	2173.40	1598.15 1607 2187.97 2188	69 2696.52	Cons. Gold (*1003)	950 1000 1050	50 1	100 1	40 4	2 26	424	RTZ (*440)	390 60 420 30 460 3	74 50 27	84 60 38	2 17	12	
5 Electronics (31) 6 Mechanical Engineering (56) 8 Metals and Metal Forming (7)	417.96 +8.1	9.82 4.19	12.62 8.32	417.35			Courtaulitis (*344 )	300 330 360	45	57 31	48	14	12	Vaal Reefs (*\$85 )	70 16	28	13	14 7	2 32	hannen (Jahra), 1998 Suck Cleaning + ar Det, Tapes Gross P.E. Prizz Dp. dale Byth Law
9 Motors (14) 10 Other Industrial Materials (23)	281.81 +0.4 1322.43 +0.4	11.61 4.5 8.86 4.2	9.98 5.22 13.48 27.43	1317.35	281.33 282 1312.66 1316	71 394.34	Com, Union (*383 )	322	24	3	49 31 4	13 28	19	Optica	SE4	Dec		SEp Dec	Mar	6280         F.P.         220         227         Madescr Mining Units 9p.         270           6118         F.P.         129         121         HEISS 10p.         123         123         123         123         123         123         123         123         123         123         123         123         13.75         2.2         4.1         11.3         13.75 <th< td=""></th<>
	1093.36 +0.3 1188.25 +0.4 2003.86		11.76 17.67		1091.52 1097 1108.65 1116 1003.76 1007		British Gas (*284 )	170	14	14	19 5	2 34	1 104	Anestrad (*215)	200 23 220 11 240 4	18	16	41 15 26	17	
26 Food Retailing (16)	1988.53 +8.3 1839.90 +8.5	0.71 3.3 6.76 2.6	5 15.15 21.46 17.17 17.98	1962.60	1981.37 2090 1832.48 1836	25 2565.95 \$1 2596.29	6.E.C. (*156.)	200 140 150 180	17	18	35 17	24 14 212	24	Barclays (*498.)	395 23 420 - 427 0	35	33	131 20 37 42	<b>4</b> 7.	F.P.         -         39         7         Bestemban Gen. Wints         30         -1
29 Letsure (30) 31 Packaging & Paper (17) 32 Publishing & Printing (18)	1332.23 +0.2 532.96 +0.2 3551.09 +1.1	9.24 3.87	13.88 9.35	531.66	1330.87 1339 529.54 528 3510.19 3527	46 728.24	E.K.M. (*321.)	180 300 330 360	20	12	4 23	30	33	Beecham (*477.)	420 33 32 13 42 50 42 50	74 43 22	83 55 34	1 <sup>1</sup> 2 6 8 18 30 37	971 41	105         F.P.         164         145         145         135         31         24         163           195         F.P.         108         98         97.07         164         117.5         31         24         16.0           100         F.P.         108         98         97.07         110.6         97.41         11.75         31         24         16.0           1000         F.P.         313         310         97.07         64.0         104.0         104.0         11.02         29         35         10.6           1025         F.P.         128         104.0         105.0         104.0         102.2         29         35         10.6           1025         F.P.         128         104.0         105.0         104.0         102.2         29         35         10.6           1050         F.P.         297         166         159         104.0         160         86.0         3.4         3.3         9.2           1050         F.P.         297         166         159         104.0         10.0         86.0         3.4         3.3         9.2
34 Stores (34)	808.44 +0.1	10.27 4.03	12.81 14.57	807.51	809.29 814 687.39 609	29 1160.58 32 852.36	Grand Met. (*492.)	30 495 50	33	44	23 12 14 42 58 1	22	48	81R (*275 )	250 21 9 3	2 15	32314	4 <sup>1</sup> 2 8 15 19 30 33	1223	145 F.P. 22/8 170 168 Frosta Group 168 165.5 3.3 4.4 8.6
40 OTHER GROUPS (93)	894.18 +0.2 1137.95 1058.03 -0.2	7.67 2.43	16.46 35.71	1137.98	889.73 894 1147.02 1152 1854.13 1061		1.C.I. (*102%)		12 82	5 97 1	15 \$ 23 90 1	2 13	26	Blue Circle (*447 )	420 40 460 18 500 6	55 33 18	72	13 17 22 37 55 58	22 40 62	F.P. 51 481a Giannarias Tel + Warnis 51
43 Conglomerates (13) 45 Shipping and Transport (12)	1206.56 +0.3 1898.29 +0.1	10.37 4.44 11.28 4.71	11.11 20.98 11.74 34.04	1202.77	1203.70 1286	.98 1478.67 38 2414.19	(*11/24) (*282.)	8000	32 24	62 30	<sup>90</sup> 22 42	33	11	0 brons (*181.)	160 23 180 19	28 16	32	3 4 8 14	10	9100         F.P.         647         138         100         High Examp 122kg         118         W3.3         2.2         3.7         13.2           995         F.P.         -         155         100         High Examp 122kg         118         W3.3         2.2         3.7         13.2           950         F.P.         -         855         100         High Examp 100         135         42         12.75         2.4         2.0         23.1           950         F.P.         -         86         76         High examp 100         83         -2         -2         13.6           1450         F.P.         207         13.5         94-1 fer Sparts         136         -2         -2         13.6           1450         F.P.         2137         13.5         94-1 fer Sparts         136         -2         130         33         33         131         14.0           7         F.P.         118         105         Jacksparts         132         130         33         33         33         131         14.0
47 Telephone Networks (2) 48 Miscelieneous (26) 49 INOUSTRIAL GROUP (480)	959.49 +0.4 1191.62 +0.5 975.68 +0.2	11.40 4.32	10.02 20.93		1186.66 1196	13 1145.45 13 1631.37 22 1248.84		280 300	4	18	30 1 19 22 85 1	13	19 30	0 iaxo (*954 )	900 82 950 48 1000 25	98 67	125	14 33	40	160         FP         297         163         156         141         157         156         121         130         33         36         110           1115         FP         128         105         Jackson Group Jap         112         130         33         36         110           1115         FP         228         165         120         110         112         130         33         36         110           1125         FP         228         165         120         140         146         +10         3.7         23         30         153           120         F.P         228         135         120         140         146         +10         3.7         23         30         153           120         F.P         2807         106         91         Bodillor Group         100         107.8         136         130         133         136         130         134         136         130         134         136         136         136         136         136         136         136         136         136         136         136         136         136         136         136         136         1
51 011 & Gas (12)	775.00 +0.2 1834.96 +8.2 1048.48 +0.2	10.88 5.80	11.01 39.80	1831.00	1832.97 1834	40 2345.49	Land Securities (*558 ) Marks & Spencer	500 550 600	19	37	50 1	18	26	Hanriver Sidd. (*523 )	460 75 500 42 550 15	8255	93	3 6 13 20	11 123	165 F.P. 250 240 Paterston Hildgs
61 FINANCIAL GROUP (122)	705.14 -0.6 675.65 -1.4	- 4.85	- 15.33	709.05	707.58 708	88 867.48	(*176)	180	- <u>-</u> }	3		꿁	별	Hillsdown (*272.)	550 15 250 10 280 8 300 2	27	35	38 43 3 7 13 14	48 18 10	F.P.         200         240         Patternin Hules
65 Insurance  Life) (8) 66 Insurance (Composite) (7)	1054.20 -0.2 554.95 +0.1	- 4.70	5 - 24.97 - 13.82	554.62	1053.16 1049 551.61 549	56 1169.60 .04 659.65	8rhoit (*500 )	889		Ē	3	2 5		Hamagan (*140 )	300 2 130 14 140 7 160 1	2 7	12	28 30 15 3 45 0	33	40 F.P. 103 115 Stoffeld
67 Insurance (Brokers) (7) 68 Merchant Banks (11) 69 Property (51)	992.30 +0.1 352.23 -1.3 1214.70 -0.1	5.03 2.66	- 7.83	356.90	358.23 359 1269.68 1269	58 1325.61	Rolls-Royce (*138.)	190 140 160	. 2	14 8 72	12 2 3 21	20	2 11 25	Lowriso (*241.)	160 11 223 22 240 12 260 4	28 18	352	20 21	2 22	FP         183         173         #Southeran Sp         183         142         33         33         110           #0         F.P         -96         B0 in Tame (Lefted) frame (Lefted) frame         91         133         20         47         124           #0         F.P         -23*         23         171         170         42         33         33         110           #0         F.P         -96         B0 in Tame (Lefted) frame         91         133         20         47         124           F.P         -23*         23         51         171         24         21         23         22         24           F.P         -8         6         0a         Wright         -24         -4         22.6
70 Other Financial (30) 71 Investment Trusts (78)	378.85 -0.2 913.41 -0.1	- 3.03	- 12.04	914.55		86 1128.18	STC (*277 )	200 200 300	1	16 9	23 3 18 23	16	光	Midland Sk (*430 )	260 4 990 42 420 23 460 8	9 55	12	23 26 4 10	16	FIXED INTEREST STOCKS
B1 Mining Finance (2) 91 Overseas Traders (8) 99 ALL-SHARE INOEX (710)	522.51 -8.9 1146.69 +0.3 958.99 +0.1	10.05 4.87		1143.31		16 664.68 83 1171.28 01 1218.46	Salasbury (*217 )	200	18 1 2	25 12 41	29 10 9 25	1925	312	Stars (*129)	460 8 120 14 130 8 140 3	13	23	45 48	53	imme Annonit Latert 1968 Price Paid Reman: 1968 Stock Price + er
	Index Day's	Day's Day's High Low	J태 J비 25, 25	Jul 22	Jol Jel 21 20	Year	Sheti Trans. (*1051)	1000 1050 1180	52 3 1	80 14 24	07 1 49 53	24	31 85	Tesco (*143.)		15	19	13 <sup>2</sup> 17 5 7	122	
FT-SE 100 SHARE INDEX -	2849.8 +3.1						Storehouse (*248.)	220 220 260 260 260 260 260 260 260 260	22	42 22 16	뀛내	12 3 13 24	20	(*143 ) Trustiouse Forte (*248 )	140 10 160 3 180 1 220 32	32	4	20 21 40 40 12 3	22	<ul> <li>F.P S130 300n MCity Cate Fets 32 as Can by But 61 300n.</li> </ul>
FIXED INTERE	тэ	AVERA	GE GROSS	V	Ved Tue Jui Jui 27 26	Year	Trafalgar House (*306 )	280 300 330	28 8	36 23	42	10	120		240 17 260 71 600 47	2 132	28 10	18 20 8 15	14 26	100p         Nil         22/8         Sepan         Insur         Fridme Hones Cap 7.25pt Or Cm Rel Pf         Insur         -12           100p         F.P.         100p         Fitch 4. Cn. Design Cm Dr Rel Pf         100p         -12           100p         F.P.         110p         100p         Fitch 4. Cn. Design Cm Dr Rel Pf         110p         100p           665         F.P.         128         5655g         Honester Fits. Corp. Tec Dab. 2009         5551g           100p         Hill         12         5655g         Honester Ch. Dr Mal Pf
					Jui Jui 27 <b>26</b>	ago (approx.)	T.S.B. (*106.)	\$0 100 110	7	18	22	1 12	242	Thorn ENN (*630 )	600 47 650 17 700 6	33	873	30 <b>1</b> 7	2344	• F.P 100 991 Do 108m 177 90
PRICE Wed Day's T INDICES Jul change J 27 % 2	ue xdiad]. xd u) today 1 6 to	adj. Britiski 988 1 Low date 2 Coupons	Sovernament 5 years 15 years		9.55 9.5 9.43 9.4 9.21 9.2	4 8.35 5 9.34	Ultramater (*290 )	280 300 330	1	31 20 10	43 1 34 14 23 46	17 27 48	27.73	(%475)	460 33 500 12 550 2		~	H H H		\$1000         F.P.         1110         Prostwick filding 74 ac Cr Ne FF 21         1110           1009         F.P.         1107         1003 rg         1000 rg
British Government		4 Medium	25 years 5 years		0.00 10.0	3 9.35 0 9.50	Weelworth (*260 )	250 260 280 300			23 40 37 1 28 3 18 22	48 6 15 27		Wellcome (*520 )	500 43 550 17 600 7	60 33 18	75 50 32	13 42 50	30 55 88	+ F.P 204p 205p Magen Ind'l. Kidge. 74pc Cr Ptg pf annual 200p -2
1 5 years	.08   80.	7.00 5 Coupons 5.36 6 7 High	25 years 5 years		9.44  9.4 10.10  10.1	5 9.58 0 9.65	Option		App. )		18 22 Eb. Aug	A New.	Feb.	Boots (*220 )	55p 200 25 220 15 240 6		Apr 19 48 28 10	_	Apre 10	RIGHTS OFFERS
3 Over 15 years147.88 +0.24 147 4 Irredeemables163.26 +0.19 162	1 <b>96</b> -   :	7.30 9	25 years		9.81 9.8 9.47 9.4	9 9,44	Brit Aero (*466.)	420 443 500	49 17 2	63 35 19	80 2 55 8 57 36	117759	20 35 57	Option	240 6			2 6 9 14 23 25		Issue Amount Latest 1986 Stock Closing + or f mp Date High Low
5 All stocks		Index-L	inked				(273)	265 290 300	12		- 3 24 9 14 28	10 17 31		Conv. 937% 2005 (*100 )	98 2 100 102		꾧	1 1 2 2		2 HP Linke High Low
6   5 years   127.88   +0.03   127 7   Over 5 years   120.66   +9.66   120	.59 - 2	1.12 12 Inflation 2.13 13 Inflation	n rate 3% Over N rate 10%	5yrs. 5yrs. 5yrs.	2.84 2.8 3.85 3.8 1.78 1.7	4 <u>2.51</u> 5 3.76 8 2.28	BAT leds (*420 )	200 420 400	N I		55 1 36 9	2 18	13	Tr. 12% 1995 (*109.)	106 3 108 1 110 1		诺			340         Mill         -         65mm         50mm         50mm         50mm         50mm         50mm         -         1           125         Nill         -         10mm         20mm         20mm         20mm         10mm         1         10mm         1         10mm         1         10mm         10mm         1 <t< td=""></t<>
8 All stocks		2.04 14 Inflation	5 yea	B	3.67 3.6 0.88 10.8 0.85 10.8	8 3.72	Brit, Telecora (*243 )	460 220 240 260			21 43 37 1 22 4 13 20	3 9	7	Option	Jal. Aug.	Sec. 10		13   1] Aug. Se	1 2 <u>7</u> p. 0cr.	340         Mit         -         45mm         50mm         Booky         20mm         -
9         Debestures & Lozes         117.67		6.54 16 Leans 17 3.43 18 Perform	15 /64 23 /64	r 1	0.85 10.8	5 10.43	Cadbury Schweppes (*381.)	260 360 370 420	1	8	13 20 55 2 60 16 28 42		22 22 25 23	(*1838) 1750	190 192 140 143 90 95 40 55 5 28	195 145 105 1		6 1 10 X	12 20 30	5 NH 1 25/7 25pm Jäpper Sonke Tape
40pening index 1838.1; 10 am 1835.3; 11 an	1834.1; Noon 1	18 Preferen			9.68 9.6		Golnoess (*324 )	420 300 330 360	24		50 2	8	57 13247	FT-SE 1450 htdex 1700 (*1838) 1750 1880 1880 1990 1990 1950 2000	190 1923 190 193 190 195 190 195 190 195 195 195 195 195 195 195 195 195 195	195 2 145 1 105 1 70 40 23 12 7		4 11 10 12 12 12 12 12 12 12 12 12 12 12 12 12	123	a Amminised dividends b Figures based on prospectas animales.4 Dividend rates parts or payable on part of capital, cover based on dividend to full capital, g Assaund dividend and yield.3 Dividend and yield encipte specific hymnest. Is Forecast, or extension annualised theffend rate, cover based and provide manufact. I the instant ormalism
t Flat yield. Higks and lows record, base dates is available from the Publishers, The Finar							Ladbroke (%620.)	360 390 420 460			30 11 19 38 55 1 36 8 19 43	2 8	47 11 23 48	July 27. Tet:	T-SE Index	7 59,670 C Callis 247 Ing securi	18 23,63 4 Puts 20	170   17 0 Puts 16,0 14	5   <u>182</u> 240	a Amstalland dividend in Figures based on prospective submaterial Dividend rate yaiti or payable on part of capital, core based on dividend on full capital y Assumed dividend and yields. Dividend and yield sociale spacial payment, is dividend cover and give based on takes annuals annuary. N Dividend and yield sociale spacial payment, is dividend cover and give based on prospective of the start of prospectime or other official estimates for 1988. N Dividend and yield based on prospectics or other official estimates for other official annualized dividend, over and give hidd based on prospectics or other official estimates for 1988. N Dividend and yield based on prospectime or differ official estimates for 1988. N Dividend and yield based on prospectics or other official estimates for 1989. N Dividend for any give hidd based on prospectime of dividend cover and give hidd based on prospectime of the official estimates for 1989. N Dividend and yield based on prospectime or differ official estimates for the start of the st
										_		_	_							Longor Inung [] locinging warrants entitienent." Table Market,

Jol in file



## WORLD STOCK MARKETS

	· · ·	•	•					
AtistelA Jely 27 Sch + er Confinential	FRANCE		NETHERLANDS (continued) July 27 Fis. + or -	SWEDEN (continued) Joly 27 Kroser + er -	CANADA		·	
Soling         12,200         +3           Solary         12,200         +45           Starwytzi W0         86         -10           UCD         9,200         +40           DEDMAARK         9,200         +40           Jaty 227         Kr         + er -           Ratics Hidgs         1,000         -2           DomMaARK         246         -2           Dom Cost Reg         1,000         -2           Dom Cost Reg         10,000         -2           Dom Cost Reg         10,73         -2           Dom Cost Reg         10,73         -2           Jaty 210         -2         -2           Dom Cost Reg         213         -3           I_SS, 8, 5% stars         -65         -75           How India         -25         +25           How India         255         +25           Sapartis         2550         +30	April         445         -0           Ar Light         525         -0           Ar Light         525         -2           Ar Light         525         -2           Start         577         -2           Start         577         -2           Start         -2         -3           Cab Meditor         -2         -3           Start         -2         -3           Cab Fine & Surt         -2         -3           Start         -2         -3           Start         -2         -3           Start         -2         -3           Start         -3         -40           Start         -3         -3           Start         -3         -3           Labor         -3         -3           Labor	Herchit         269.5         1.9           Herchit         169         93         43           Hertan         200.1         7.8         43           Hertan         200.1         7.8         10.1           Hertan         200.1         10.1         7.8           Kasther         10.1         127         7.1           Labst         -3.5         10.1         127           Labst         -3.5         10.1         127           Labst         -3.5         1.3         10.1           Hercels Hal         309.5         -1.3         1.1           Hercels Hal         20.50        3         1.1           Hercels Hal         20.27        4         2.050           Howel Dist         22.07        3         1.1           Prestite	Hed Mid Ball         157.00         +0.3           Hed Mid Ball         224.70         +0.3           Oct Grinter         226.50         +0.1           Predexed         257.00         +0.3           One Grinter         226.50         +0.1           Predexed         257.00         +0.3           Robanco         146.90         -0.4           Robanco         27.70         +0.3           Robanco         26.90         +0.3           Robanco         27.70         +0.3           Weinere         114.00         +0.1           VBI Start         90.70         +0.3           Woiners Klawer         146.00         +0.5           Weinere         146.00         +0.5           Borgans Bask         128.20         +0.5           Borgans Bask         128.20         +0.5           Borgans Bask         128.20         +0.5           Borgans	Start Eaklids         Law         + er           Start Eaklids         149	Same         Migh         Low         Close Chang           TORONTO         Closing prices July 26           Carcinations is now unless marked 5.           SHEE ALCA is at 56           SHEE ALCA is at 56           AND AND IP S214           10000 Aprice 5           JINE AND AND IP S214           JINE ALCA is at 56           AND AND IP S214           JINE ALEAN AND AND AND AND AND AND AND AND AND A	Senice Stock High Lew Close Chag SDD Convert B S12 18 12 - 4 200 Convert B S12 18 12 - 4 200 Coverts A S12 18 12 - 4 3000 Coverts A1 11 11 11 14 1700 Coverts A1 254 24 24 4000 Derian 6 274 127, 127, 127, 127 4000 Derian 6 1 254 24 24 4000 Derian 6 1 254 24 24 4000 Derian 6 1 254 24 24 4000 Derian 6 1 254 24 24 107005 Done Fris 155 105 115 154 - 4 4000 Derian 6 215 127 127, 127 154 5000 Done Fris 155 127 127, 127 154 5000 Done Fris 155 127 127 154 5000 Done Fris 255 214 214 154 - 4 5000 Done Fris 255 214 115 1154 - 4 5000 Done Fris 255 214 1154 154 - 4 5000 Done Fris 255 214 1154 1154 - 4 5000 Done Fris 255 214 1157 1154 - 4 5000 Enco 942 1055 1154 1154 - 4 5000 Enco 942 1055 1154 1154 - 4 5000 Enco 953 125 215 1154 - 1 5000 Enco 953 125 215 215 - 4 5000 Enco 953 1255 215 215 - 4 5000 Enco 95 1155 1154 154 - 4 5000 Enco 95 1155 1154 154 - 4 5000 Enco 95 255 207 225 - 4 5000 Enco 95 255 207 225 - 4 5000 Enco 95 115 1154 154 - 4 5000 Enco 95 1155 115 1154 154 - 4 5000 Enco 95 1155 1154 154 - 4 5000 Enco 95 1155 115 1154 154 - 4 5000 Enco 95 1155 115 115 1154 154 - 4 5000 Enco 95 1155 115 115 1154 154 - 4 5000 Enco 95 1155 115 115 115 1100 Piter 153 18 16 11000 Piter 153 18 16 16 11000 Piter 153 164 164 157 164 165 154 155 11000 Piter 15 164 164 165 154 164 165 154 165 154 155 154	Sames         Skock         High         Low         Closs Charge           19535         Lakdiew A         2174         17         17         174           2200         Law Sk         2114         174         174         174         174           2200         Law Sk         2114         174         114         4           200         Law Sk         2114         174         114         4           200         Law Sk         2114         114         14         4           200         Law Sk         2114         114         14         4           200         Law Sk         2134         114         114         4           200         Lamontal         3714         115         116         116         1445         106         116         1445         116         116         1445         116         116         145         116         116	Baies Stock High Low Class Chag 20200 Seegram Stoke 613 613 - 4 1500 Seegram Stoke 613 613 - 4 1500 Shear 6 an 2214 113 18 100 Shear 6 an 2414 4032 41 100 Shear 6 an 241 4032 41 100 Shear 6 an 241 4032 41 100 Shear 8 1034 1034 1034 - 14 6220 Southern 320 370 375 - 6 10200 Southern 320 320 370 375 - 6 10200 Southern 320 420 3214 - 14 6220 Southern 320 420 420 4214 - 14 6220 Southern 320 420 421 421 421 421 421 11250 Fock B 1 S157 155 155 156 4 + 14 12555 Tor Dan Bk 527 2214 22 1325 Tortair B 1 525 2019 2512 - 14 4000 Tor 8un 522 211 524 221 - 24 4000 Tor 8un 522 211 524 134 62213 Transe 416 400 405 - 8 22057 Thom A 575 351 334 334 334 + 14 2100 Trizse A 1 5335 334 334 334 - 12 1100 Tortae B 1 535 351 334 334 - 12 1100 Tortae A 1 5335 334 334 534 + 14 22057 Unitorp A 575 74 74 1100 Tortae A 1 5335 334 334 534 + 12 22057 Unitorp A 575 74 74 1100 Tortae B 1 5124 124 134 62213 Transe 416 400 405 - 8 22057 Unitorp A 575 74 74 1100 Unitore B 1 5124 124 134 62215 Trizse A 1 5335 334 334 534 + 12 22057 Unitorp A 575 74 74 1100 Unitorp A 575 74 74 1100 Unitorp A 575 74 74 1100 Unit Fraser 5203 201 2014 2014 1000 Wirt B 1 5124 124 124 1000 Warth C 500 300 300 - 5 6000 Wirt B 1 5124 124 124 1000 Warth Fraser 5203 2014 2014 1000 Warth Fraser 5203 2014 2014 1000 Warth Fraser 5203 2014 2014 1000 Warth C 500 500 500 500 500 500 500 500 500 5
Kore         262         -0.5           Kore         262         -0.5           Kymmeer         132         +1.5           Rold	A65         2022         +0.1           Alianz A6         1531         +7           BASF         1531         +7           Baye         288.5         -2.8           Baye         288.5         -2.8           Baye         288.5         -2.8           Baye         288.5         -2.8           Baye         338         -4           Baye         337         -1           Bilf-Bank         307         +0.5           Contoentable         307         +0.5           Daimfor-Boz         265         -2.5           Destructe Bahanck         172.5         -0.5           Destructe Bahanck         177.5         +0.5           Hochtlef         263.5         +1           Fedmueble Bahanck         470.5 xx         +2.5           Hochtlef         -0.5         +0.5	ACT Holding         54.50         +0.7           AECON         83.50         -0.3           ANDI         83.50         -0.4           ACCON         83.50         -0.5           ACCO         1/3.50         +0.9           ABB         46.20         +0.3           AMEV         55.13         +0.9           AMEV         77.10         +1.5           Bustamily Webry         77.10         +1.5           Bustamily Petroleum         52.90         +6.6           Elspreater Nature         52.90         +6.4           Fokter         32.10         +0.3           Stat Broczades         52.80         +0.4           Hoophomics         52.50         +0.4           Hoophomics         52.50         +0.4           Hoophomics         52.50         +0.2           Hoophomics         52.50         +0.2           Hoophomics         52.50         +0.2           <	July 27         Kramer         + er           AGA B (Frez)         195         62           AHA-Land B (Frez)         460	Differentia         513         403           First Bask         1145	1150 Canasa 1 373 712 75 1 4 1150 Canasa 1 375 712 75 1 4 1160 Cara 1 414 1 4 1160 Cara 1 4154 144 144 144 144 144 144 144 144	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	3500 Ramper         837, 84, 64, -4,           2000 Reynold (804, 94, 94, +4,         9075 Reynold (818, 104, 105, -16, 576, 284, 201, 105, -16, 576, 284, 201, 105, -16, 576, 284, 201, 105, 105, 105, 105, 105, 105, 105, 1	$\begin{array}{c} \label{eq:construction} \hline Closing prices July 26\\ \mbox{2008 BeenbrdrA} & $111_{2} & 111_$
 JAPAN Jaly 27 Yes + or - Alignments 12,920 (+30	Jaly 27 Yes + er - Jasto	Jaty 27 Yoo + er-	July 27 Yes + er -	AUSTRALIA (carificand) July 27 Aust5 + er - Klitter Gold	OVED THE	COUNTED		
Alinomoto Ali Nipson Ak' 2,920 Alos Electrita 1,920 Anosto 1,920 Anosto 1,550 Anosto 1,550 Anosto Construct 825 Anosto Construct 825 Anosto Construct 825		Nippon Meat Park 1.890 +10 Nippon Mielog	Tetils         780         6           Tetkoku Oli         832         100         410           Tok Nenyo Kyo         1,000         410         120           Toksinss         1,000         450         450	Lend Lasse	OVER-THE	l Solen	Nasdaq national market, 2pm pr	1 Sales
Afformation         2,520         +30           All Highen Adv         1,700         -30           Allss Electric         1,950         -30           Alss Electric         1,550         +20           Anno         1,550         +20           Anase         1,500         +100           Anase         1,500         +5           Anabi Casts         1,040         +20           Anabi Casts         1,040         +20           Anabi Casts         1,500         +20           Anabi Casts         1,500         +20           Bart Tokys         1,500         +20           Bart Tokys         1,500         +20           Bart Tokys         1,500         +20           Casts Compate         1,200         +20           Casts Compate         1,200         +20           Casts Compate         1,240	Lifera         1.400         +e0           Kahen Phara         1.650         -0           Kahen Phara         1.650         -7           Kanesatuzki Cura         920         -10           Kanesatuzki Cura         920         -10           Kanesatuzki Cura         3300         +120           Kanesatuzki Cura         691         +9           Kanesatuzki Keary         1.750         -40           Kanesaki Neary         1.750         -40           Kanesaki Steel         694         -22           Kirki Elect         2.470            Kirki Berevery         1.940         +20           Kirki Berevery         3.160         +460           Konkats         773         -16           Konkats         773         -16           Konkats         773         -16           Konkats         770         +52           Kantus         773         -16           Konkats         773         -16           Konkats         1.030            Kuraken Stanka         770         +52           Kantus         1.030            Kuraken Stanka	Nigoon Mest Pack         1669           Nigoon Mest Pack         1.890           Nigoon Mest Pack         1.890           Nigoon Mest Pack         1.890           Nigoon Stato         723           Nigoon Stato         724           Nigoon Stato         7260           Nigoon Stato         726           Nigoon Nicket         730           Nissistion Inde         1.390           Nissistion Inde         1.280           Nissistion Inde         1.290           Nissistion Inde         1.290           Nissistion Inde         1.290           Nissistion Inde         1.290           Nissisti	Telester OH         1320         +100           Tua Neuro Ryo         11000         +200           Tobo         22300         +500           Toka Rank         2250         -10           Toka Rank         2450         -10           Toka Rank         2450         -10           Toka Rank         2450         -10           Toka Rank         2420         -10           Toka Rank         2760         -20           Toka Rank         2760         -20           Toka Rank         2760         -20           Toka Rank         1300         -20           Toka Rank         1300         -20           Toka Rank         2750         -40	Norada Pracific         0.81	Stark         Dir.         Stark         Bigs         High         Low         Last Chag           Continued from page 35           RMS         25         17         204         183.         157.         157.           RatSbits         106         64.         67.         34.         157.         157.           RatSbits         7         177         105.         163.         34.         35.           Reifiol.         28         24         235.         54.         35.         34.         35.           Reifiol.         28         24         235.         54.         35.         54.         35.         54.         35.           Reifin         225         55.         54.         35.         55.         75.         77.         7.         4.           Reptin         225.         55.         37.         7.         7.         4.           Reptin         25.         55.         37.         7.         7.         4.           Reptin         25.         25.         25.         25.         25.         57.         37.           Reptin         16.         57.         16.         57.	<b>Back Div. 1985 High Low Last Chag</b> Struked .00 19 2764 167, d177, 183,	Sinck         Div.         Tella         High         Low         Lest Chag           Tendon         5         19732         7.90         2.5.16 $2\frac{1}{2}$ , +1.42           Tendon         24         12         23         155,         151,         151,         151,           Tendon         24         12         23         155,         151,	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

Green Cook Gene ED Dern Genter Hasegavor Kont Hittan Sebbo Hittan Sebbo Hittan Sebbo Hittan Sebbo Hittan Sebbo Hittan Sebbo Hittan Metate Hittan Metate Hittan Metate Hittan Metate Hittan Metate Hittan Metate Hittan Metate Hittan Hittan Metate Hittan Hitt	130         First         Mitchi Pissilis         727         -53           1280         400         Mitchi Rayon         633         -17           1278         40         Mitchi Rayon         633         -17           1278         40         Mitchi Warehee.         2,450         +10           1270         40         Mitchi Warehee.         2,450         +10           1270         40         Mitchi Warehee.         2,450         +10           1270         40         Mitchi Bande         643         +11           1270         40         Mitchi Relificato         643         +11           1270         40         Mitchi Relificato         643         +17           1270         40         Mitchi Relificato         2,090         +90           1270         40         Mitchi Warehee         2,090         +90           1270         40         Mitchi Warehee         1,750         +15           1270         40         Mitchi Warehee         1,750         +10           1270         40         Mitchi Warehee         1,750         +10           1270         40         Mitchi Reli Firare, 1,150         -30         4	Shieldo         1,600         -10           Shoed Alexinium         805         -15           Showa Dento         800         -20           Saver Brand Hillik         1,270         -340           Sunity Electric         1,140	AUSTRALIA           Jaty 27         Aust5         + er =           A.F.P.         1.08         + ö.76           Adetatic Steams         6.00         + ö.76           Adetatic Steams         5.00         + 0.06           Anisaire Aut.         0.23         + 0.01           Adatatic Steams         1.60         + 0.02           Anatic Aut.         - 0.02         + 0.01           Anst Nat. bats         - 1.90         + 0.06           Aust Nat. bats         - 1.90         + 0.04           Bell Croup         - 4.32         + 0.04           Bell Croup         - 2.63         - 0.02           Boral         - 5.08         - 0.04           Batrige Couper         - 4.18         - 0.04           Brang Couper         - 0.18         - 0.02           Batrige Couper         - 0.02         - 0.02           Batrige Couper         - 0.02         - 0.02           Batrige Couper         - 0.04         - 0.02           Batrige Couper         - 0.04         - 0.02           Batrige Couper         - 0.02         - 0.02           Batrige Couper         - 0.02         - 0.02           Batrige Couper         - 0.02	SRC Profile         1120         1120           SRC Profile         1120         1120           Stell Elec.Mfg         1125         102           Stell Elec.Mfg         1125         102           TV-8         11320         40.1           Where Filtings         8.25         40.15           Where Filtings         8.25         40.15           Where Filtings         3.278         40.05           SINCGAPONE         Jairy 27         SS         + # # -           Boostrad Hidgs         1.47         -0.35         -0.1           Cerbid Pacific         -0.35         -0.1         -0.16           DBS         -0.278         40.05         -0.1           Karpel Corp.         5.60         -0.16         -0.16           Hogs Leng Fin         2.78         40.01         -0.15           Hadyace Bird         2.50         -0.12         -0.15           Hadyace Bird         2.69         +0.15         -0.15           Malayae Birding         0.290         +0.05         -0.16           Malayae Birding         0.290         -0.16         -0.16           Malayae Birding         0.51         -0.16         -0.16	Sector       Lue       7 843       244       245       844       244       244       245       844       244       244       245       844       34       64       743       64       743       744       7	Under 2, 2 5 82 134, 134, 134, 134, 134, 134, 154, 14 Us mc, 10 1005 53, 45, 45, 154, 137, 124, 114, 124, 144, 144, 144, 144, 144
Holdan Songo Holdan Kassi Isron Molors Holdan Foods Huban Foods Natsu Electric	UP         City         NEC         2220         730           050         NEX issultance         1050         119           055         H15         WEX issultance         1050         119           056         H15         WEX issultance         1050         109           051         H15         WEX issultance         1050         100           051         H15         WEX issultance         1050         100           051         H15         WEX issultance         100         100           1210         H01         Intro 500         739         100           1210         H01         Intro 500         739         100           1210         H01         Intro 500         739         100           1210         H00         Niton Exerci         739         100           1400         Niton Exerci         739         100         100         100           1400         Niton Exerci         1,990         140         1,990         140           1201         H100         500         1,990         100         100           1210         H100         500         100         100         100 <th>Staritome fetry         675        </th> <th>DRA        </th> <th>Mattype Utd Ind     1.61.     +0.02       Mutri Parpea     0.70    </th> <th>(Prices in peace values othernities influenced)           Resets         Other (Q.)         545         45           Tress.Bpc.2009        </th> <th>Wednesday 27 July 1988           Stocks         Closing         Change         Blocks         Closing         Change           Traded         Prices         os dary         Traded         Frices         on dary           Nippon Steel         230.27m         760         -10         Hinchi         Traded         Prices         on dary           Mitmubishi Heevy         103.90m         960         -21         Ind         37.63m         694         -27           Mitoui Engineer         94.44m         706         -21         Int ficares         37.03m         694         -27           Mitoui Engineer         94.44m         706         -21         Int ficares         190         500m         1,020         -50           NIOK         48.61m         673         -25         Ind         95,00m         1,020         -50           Kowesski Heavy         50.27em         670         -20         -20         Kowesski Heavy         20.31m         700         -19</th>	Staritome fetry         675	DRA	Mattype Utd Ind     1.61.     +0.02       Mutri Parpea     0.70	(Prices in peace values othernities influenced)           Resets         Other (Q.)         545         45           Tress.Bpc.2009	Wednesday 27 July 1988           Stocks         Closing         Change         Blocks         Closing         Change           Traded         Prices         os dary         Traded         Frices         on dary           Nippon Steel         230.27m         760         -10         Hinchi         Traded         Prices         on dary           Mitmubishi Heevy         103.90m         960         -21         Ind         37.63m         694         -27           Mitoui Engineer         94.44m         706         -21         Int ficares         37.03m         694         -27           Mitoui Engineer         94.44m         706         -21         Int ficares         190         500m         1,020         -50           NIOK         48.61m         673         -25         Ind         95,00m         1,020         -50           Kowesski Heavy         50.27em         670         -20         -20         Kowesski Heavy         20.31m         700         -19

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NEW YORK	DO	W JO	NES	•			•	Jety	144	July	Jety	L
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tome Bank	M.25 M.16	80.23	6/7	20/1)	125(6/87)	12/7/320	All Mileins (1/1/80) Austria	644.8	831.9			ł
manuel #60.22	258.27 857.38	869.47	908.45	1200	1101 16	1232 617152) 1050	Craft Akties (30/12/50 RELGIOM		186.8	187,9	187.09	┡
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Day's High 2009.39 (2002.60	Lev 2019.47 d	048.50					Copenhagen SE CS/1/839		224.12	224.15	224.66	Ł
CANDARD AND POOR'S	24.68 23.50	256.46	275.44	202.63	136.77 (23.6367) 313.17	0,632	Fild AND Value Screen (1975)	760.9	757.8	7591.1	762.0	ſ
intritite	304.55 304.36 24.13 24.12	308.00		211 8	915.17 (256,67) 1245 (256,687)	21/6721 6.64 0/10/74	FRANCE CAC General (31/12/82)		50 131.6	351.2 130.7	349.9 230.6	ſ
ITSE Compatite	149.74 149.25 304.48 306.11	150.90	155 55		187.99 (25:6887) 365.01 (15:687) 455.28	444 (2)4442) 7451 (1)2/72) 7457	GERMANY FAZ Akt/en G1/12/580 Cammerstank (1/12/53)	1171 78	481,94 1468,4 1176,44	475.80 1447.8 1160.46	477.94 1454.8 1153.73	
MSDAQ OTCOME _ 385.79	387.12 387.35	38.8	1000 391.77 0170	部	655.28 1256/87	54.87	HONG KONG Hang Scap Bark CO1/7/6-0		265.42			İ.
Dow Managerial City, Yield	Jel 22	1 141		M 8	year ago 0		ITALY Sanca Cost, Ital. (1972)		523.97	518,49	520.92	-
	Jul 20	Jul 1	5	446	year ago C	(JONOX.)	JAPAN					H
S& P lecters fat stv. ylatel S& P P/E ratio	14.14	<u>اللا</u>		3.07 A.24	24		Hikkel (16/5/49)		27503,76		2726.01 2147.46	
TRADUC ACTIVITY	t Voimi 25 Juli 22	•	times Traded		1 1 951	1.926	HETHERLANDS AMP-CBS General (1970) AMP-CBS Industrial (1970)	:::	273.6- 227.8	209.6 225.5	243	
withd 121.965				= }		1926	NORWAY Ode SE (4/1/83)	·	421.26	419,76	420.83	Γ
			ien iligin			13	SINGAPORE Straits Times ind. (30/12/66)	1136.31	111248	E	1142.61	•
CANADA	1 - 1	H I	<b>⊭</b> .[.	•	1986	· . · ·	SOUTH AFBICA JSE Gold (28/9/78) JSE Indeturbi (28/9/787	1348.04 1713.04	1343.0 1715.0	1360.0 1741.0	1377.0 1748.0	
	23	22	21	111ph 1210.5 (15/7		L 7 68/22	SPAIN Madrid SE (30/12/057		250,40	8	290.70	
essis 8. Milescale	13 2963			3456.6 10/7		1.9 08(2) 06 (27/1)	SWEDEN Jacobson & P. (33/12/56)		3034.10	3051.29	3034.3	
WW YORK	ACTIVI		DCK				SWITZERLAND Selas Bunk Ind, CO./12/561		563.0	542.4	546.5	
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A STATE OF A	27	26	25	22	Hägt	Low
NUSTRALIA LA Ordinaries (1/1/80) La Nielos (1/1/80)	1612.7 872.8	1619.6 831.9	1630.2 046.9	1636.2 847.4	1642-5 (18/7) 847.4 (22/7)	1170.7 (10/2) 532.4 (10/2)
AUSTRIA Crufit, Aktien (30/12/50		186.8	187,9	187.09	387.43 CM/7)	163.98 01/29
KELGIGH Bruggels SE Q/1/040		4893.3	4044.5	8	5013.1 0/30	3608.35(4/1)
DENIMARK Copeningen SE (3/1/839		224.12	224.18	224.54	226.57 (6(7)	190.48 (4/1)
THE AND Jalcus General (1975)	760.9	757.8	759.1	762.0	762.0 (22/7)	530.6 (15/1)
TRANCE AC General (31/12/82) af, Tendanca (31/12/87)		60 131.6	351.2 130.7	349.9 230.6	968.5 (8/7) 137.6 (2/7)	251.3 (29/1) 89.7 (29/1)
EDMANY AZ Aktien (31/12/58) Anterestank (1/12/53) AX (30/12/87)	1171.28	481,94 1468,4 1176,44	475.80 1447.8 1160.46	477,94 1454,8 1153,73	495.78 (8/7) 1507.3 (8/7) 1199.96 (5/7)	3%5.40 (2%)(1) 1207.9 (2%)(1) 931.18 (28/1)
IONG KONG Kang Seng Bank (30,77,640 ,	·	265.62	ż.(7.41	2661.77	2172-53 02/7	2223.56 8/2
TALY Innca Cont, Ital, 0,9729		523.97	518,49	520.92	545.07 (38/3%	423.91 (9/2)
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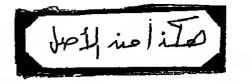
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## WORLD STOCK MARKETS

## AMERICA **GNP** figures draw little response from equities

interest rate

Xerox.

#### Wall Street

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PUBLICATION of second quar-ter US gross national product figures yesterday elicited hardly any response from either the equity or the bond market, despite a sharp drop in the dollar, writes Janet Bush in New York.

At 2 pm, the Dow Jones Industrial Average stood 3.38 points lower at 2,070.59 in another session of desultory volume. By midsession, only about 66m shares had traded. The modest rise in stocks in The modest rise in stocks in

the morning followed two days of small gains in the Dow, which seemed to be a natural reaction to Thursday and Friday last week when the index plunged by around 25 points each day.

The recovery since then has been unspectacular. The market had been looking at this week's economic indicators for direction, but has made very little response to any news this week. This is partly because economic releases have offered ambiguous signals on the economy and partly because the market seems to have sunk into a period of extreme inac-

tivity Tuesdey's durable goods orders gave few pointers as the 3.8 per cent rise in June was almost entirely due to defence and transportation orders.

quarter's results include a gain The message emerging from yesterday's GNP figures was similarly mixed. While growth in the first and second quarters came out slightly lower than most forecasts had expected, the GNP deflator eppeared to indicate considerable inflation in the economy. The combina-tion left markets with little to second quarter net earnings of \$1.94 a share compared with 79 go on.

#### **ASIA PACIFIC**

## The US Treasury bond mar-ket reacted only modestly to a compared with \$2.90 a year earcompared with \$2.90 a year ear-lier. Its shares added \$% to plunge in the dollar on foreign exchanges and the deflator \$51%.

numbers and prices were quoted only around % point lower at midsession. The Trea-Xerox announced second quarter net earnings of \$1.59 a share compared with \$1.44 a year earlier, news which left its stock price unchanged at \$53% at midsession. sury's benchmark 30-year issue was quoted 4 point lower for a yield of 9.20 per cent. As far as interest rate policy

Among other featured stocks was York International, the air is concerned, a subject that is of major importance to both conditioning and heating equipment company, which put on \$1 to \$58% by midsesmarkets, the onflook is clouded. The US Federal Reserve's operations in the sion after the company said that Snydergeneral had asked money market tend to suggest for permission to sweeten its \$61 a share tender offer for the thet policy is being held fairly tight, but any further snugging of policy is very gradual. company

Florida Steel jumped \$1% to \$48%. The company said it had agreed to a takeover offer from Both markets will look with interest at today's testimony before Congress by Mr Alan Greenspan, Fed chairman, on a group led by its manage-ment. The group will pay \$50 domestic monetary policy for in cash for about 85 per cent of its common shares and exchange preferred stock for any comment on yesterday's GNP figures and thinking on Another batch of corporate earnings announcements yesthe rest.

Home Savings Bank, traded on the over-the-counter mar-ket, jumped \$2% to \$18% after news of an unsolicited taketerday left the market unmoved. Among them were reports from Du Pont, Bethleover offer worth \$20 a share from the Emigrant Savings hem Steel, Ford Motor and

Du Pont, the leading chemi-Clark Equipment rose \$1% to \$33% after its news of net income of \$13.1m in the second cal company with oil and gas interests, reported net earnings in the second quarter of \$2.67 a quarter compared with a loss of \$3.7m a year ago. share compared with \$2.08 a share a year earlier. The latest

#### Canada

of 18 cents a share from the sale of an interest in North Sea Oil Properties. Du Pont shares dropped \$% to \$85% on the GOLD, energy and industrial issues led Toronto stocks lower at midsession yesterday after a Bethlehem Steel shares rose mixed opening. \$1/2 to \$24% after it announced

The composite index dropped 8.3 to 3,349.1 on quiet volume of 9.1m shares.

cents a year earlier. Ford Motor earned \$3.43 a. falling C\$% to C\$12%.

## Nikkei scores second best rise of year as Sony leaps

#### Tokyo

HIGH-PRICED high-technology stocks jumped unexpectedly in Tokyo yesterday, helping to send the Nikkei average soarsparked heavy buying of other high-tech stocks, including Matsushita Electric Industrial ing by its second largest increase this year, writes Shi-geo Nishiwaki of Jiji Press. and Fanuc, cutting into pur-Demand for high-tech issues

chases of large-capital stocks. Volume of Sony shares was triggered by another all-time record by Sony. Carmakers and issues related to domestic demand

soared from Tuesday's 6.88m to 18.07m, worth Y123.1bn, second only to Nippon Steel's

the group could win the con-4.960 per cent against Tuesday's 4.985 per cent. The Osaka Securities Exchange was also lively, with tract for supply display moni-tors for a \$3.55bn automatic air traffic control system that IBM is supplying to the US Federal Aviation Administration. This the OSE stock average rallying

dollar and bullishness about imminent corporate results. But the setback for the dollar once the US GNP figures were published lifted prices off their highs and the CBS all-share index ended up 0.6 at 97.6 in slightly better volume. One feature was bio-technol-ogy company Gist-Brocades, which jumped Fl 2.30, or more than 6 per cent, to Fl 39.20 on renewed takeover speculation, with Shell or Unilever rumoured to be interested. Brewer Heineken gained Fl Brewer Heineken gained Fl 1.20 to Fl 147.20 following rumours it was interested in Whitbread of the UK – a sug-gestion dismissed by the Whit-bread chairman on Tuesday as intel incentation 251.97 to 27,162.07. Turnover rose by 28.1m shares to 106.8m. Speculative demand sent Araya Industrial up Y140 to Y1,510. In the internationals, Akzo was up 90 cents at Fl 143.50 on

## Roundup

THE WAIT for US GNP data,

# Volatile Mexico tops world league again

he Mexican stock exchange has followed last year's whirlwind performance by soaring 62 per cent in the first half of this ear - more than any other stock market.

The notorionsly volatile Bolsa Mexicana de Valores can boast other newsworthy facts. It plummeted by 74 per cent around last October's crash from a record high in the bolsa index of 373,000 on October 6 to e low of 95,000 on November 17. Its recovery, however, has enabled Mexico to keep Its place as top performer in dollar terms since January 1987, followed by Tokyo, according to the FT-Actuaries World Indi-

On July 1 this year, the mar-ket was capitalised at about Mexican pesos 28 trillion (US\$12bn), one third of its value of US\$35bn at its peak in October 1987. The bolsa index, which is altered every two months according to stocks trading volumes, covers the 50 most marketable shares, while the whole market comprises 260 listed issues. The top 10 stocks account for 52 per cent of total market capitalisation.

Like many other stock markets, average daily volume has fallen dramatically this year,

"BORING" and "very quiet"

were the most common descriptions of trading in the leading European markets yes-terday as volumes shrank fur-

ther. But corporate news and speculation underpinned Amsterdam and Zurich and the rally continued in Milan, writes

AMSTERDAM was buoyed

by the early strength of the dollar and bullishness about

expectations of good first half news next week. Philips, with

second quarter results today

expected to show lower earn-

helped by the steady dollar. The Crédit Suisse index added

0.2 at 465.7 in a thin market. Small- and medium-sized

Our Markets Staff.

#### EUROPE

19 (102) san (456) (1) 19 (166) (1) 19 (166) (1) 10 (16) (1) 10 (16) (1) 10 (16) (1) 10 (10) (1) 10 (1

The profiles series began on June 28 and has covered the following markets, in this order: Switzerland, Amster-dam, Paris, Madrid, Helsinki, Frankfurt, Milan, Australia, Frankfurt, Milan, Australia, New Zealand, Hong Kong, Singapore, Brussels, Stock-holm, Oslo, Copenhagen and Johannesburg. Further articles are done to summary in the next are due to appear in the next couple of weeks on Dublin, Vienna, Lisbon, Athens, Istan-bul, Malaysia, Taiwan, Seoul, Thailand and the Philippines.

standing at US\$24m compared with the record average last in 1987, a boom year for equi-ties, stock market trading accounted for just 7 per cent of total trading on the Mexican exchange. Other capital mar-ket instruments accounted for

L103bn on Tuesday and L95bn

**Banca Commerciale rose L90** 

to L2,470 and Credito Italiano

L76 to L1 256. Insurer Generali gained L710 to L87,960 and reached L88,200 after hours.

Telecommunications stock

Stet fell back L60 to L3,575 after its recent surge. FRANKFURT had another

on Monday.

MARKET PROFILE 2 per cent, with the money market - treasury bills, bank: acceptances and commercial paper - accounting for 91 per cent

Only 10 per cent to 20 per cent of the equity market is freely tradeable, and foreign investors do not have easy access to shares. First, foreign ownership of stocks is limited to 49 per cent under Mexico's Foreign Investment Law and many listed companies are already at this percentage, with the 49 per cent stake held by a foreign joint venture partner, as in the case of Kimberly Clark de Mexico.

Second, other companies such as banks and most mining companies specifically exclude overseas buyers from owning stock to their articles of association. As a result, no more than 10 marketable stocks are effectively open to purchase by foreigners.

Mexican-based unit trusts offer the most effective way for the foreign investor to participate in the market, as the trusts have unrestricted access to all listed stocks. Foreigners, may buy up to 49 per cent of the funds, which are priced daily in pesos at net asset

All investors face a steep

London

Market capitalisation: 28 trillion peece (\$1-peece 2,290), (£1=pesos 3,920) Number of shares listed: 260

STOCK MARKEY FACT CHART

MICKICO

Top 10 stocks, percentage of market: 52% Trading hours: 10.30 am-1.30 pm; no after hours trading Average daily turnover on bourse, 1968: peace 55bn (\$24m) Main indices; bolsa index (50 stocks); FT-Actuaries World Indices Current level of Index (FT-Actuaries, Mexico): 400,84 (20/7); 1988 high: 450.65 (21/6): 1988 low: 218.13 (16/1)

mi Boles Manhana de Valores, Uregany BL, Calenia Cartro, Manha D, F, CP 6884 Tel: 510 48 28

withholding tex of 55 per cent on dividends.

The bolsa's trading day begins at 10.30 am and runs to 1.30 pm. There is no afterhours trading in equities. The trading system is still paper-based, although stock storage and delivery are made through, a computerised depository sys-

> There is an efficient comput-erised system providing online information on stock prices. trading volumes and the iden-tity of brokerage buyers and sellers, but there are no immediate plans to upgrade this to a screen-based trading system.

All stock trades made on the bolsa must be routed through one of the 25 brokerage houses

toric price/earnings multiple of. the Mexican market stood at 3 in dollar terms, and the ratio of

- casas de balsa - which are

shareholders of the exchange.

On July 1, the average his

Settlement takes 48 hours.

price to book value at 66 per cent - equivalent to its level at the beginning of 1987. The market has been affected both by post-crash uncertainty and by the Government's anti-inflationary austerity programme. Tomorrow: Brazil profile.

**Timothy Heyman** 

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THE LESS

21 2:1

Timothy Heyman is senior vice president for investment straiegy at Mexican brokerage house Estrategia Bursatil.

Amsterdam stays buoyant against the tide

investors in the market were eft scraping around for stories, said analysis. LVMH, which isumched two Eurobonds worth a total of about FFr1.7m to fund its pur-chase of a stake in Guinness of the UK, lost FFr3 to FFr2.790. NEWS of a June current account deficit at the higher end of City forecasts fuelled

interest rate fears again, lead-ing to early drops for share prices. However, a firm pound-proved a welcome diversion in late trading and the FT-SE 100 Computer company Bull, reporting interim profits more than doubled, added FF73.50 to index closed up 3.1 at 1,840.8, FFr113.50 and drinks group having earlier fallen 9.2. ICI saw US support again pending today's trading results. Pernod, which called for talks with Coca-Cola of the US to settle their distribution rights disagreement, fell FFr7 to

FFT1.042. News that the country's trade deficit narrowed last month had little effect - only had news would have moved prices, said one analyst – and the OMF 50 index, formerly the EFX 50 index, closed 0.25 higher at 352.15.

**BRUSSELS** suffered another ment in thin trading. PARIS also had a very quiet day, with turnover estimated thin and mixed day, with steel-makers providing one of the few sparks of interest. to be below FFrIbn, and share Investor confidence about prices closed only slightly higher. The small number of the European steel industry pushed Cockerill up BFr9 to

BFr256 on heavy volume of 97,000 shares, while Luxem-bourg-based Arbed gained BFr100 to BFr2,500 as over

35,000 shares changed hands after 32,000 on Tuesday. Chemical concern UCB gained BFr40 to BFr9,190 in spite of action by the EC Com-mission against its alleged dumping to Spain of an animal feeds additive. STOCKHOLM

geined ground. Electrolux saw strong turnover, with 105,500 shares dealt, and its free B shares ended unchanged at SKr241.

#### **SOUTH AFRICA**

THE absence of fresh factors left Johannesburg stocks narrowly mixed yesterday after a

Gold stocks were mostly unaffected by a moderate improvement in the bullion price, closing mainly unchanged. Among issues that say movement, Beatrix rose 25 cents to R12.25.

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3.15 rise to 485.09, but the DAX closed off 5.16 at 1,171.28. Typical of the day's move-ments was steel stock Mannes-US GNP figures, and its subsemann, which rose to DM166.50 amid rumours brokers were quent drop, appeared to have little impact on a market domi-nated by professionals, with upgrading their earnings fore-casts, only to close off DMI at DMI63 as interest dried up. genuine buying in very short Bonds showed little move-

already been discounted. Volume fell to a thin DM2.1bn from Tuesday's DM2.4bn. The FAZ, index

volatile day in very thin trad-ing, starting firmer on over-night gains in New York and, more significantly, Tokyo, but then easing back on a lack of follow-through buying. The speculative rise in the dollar before the release of the US CNP figures and its cubas.

supply, one trader said. He added that a possible further rise in interest rates today had

reflected early gains with a

Mexico

tion stocks lost ground on profit-taking.

The Nikkei average jumped 434.81 to 27,738.57, while vol-nme climbed from Tuesday's 905m shares to 1.29bn - still low for the first trading day of the new monthly account. The Nikkei's low for the day was 27,322.34, registered at the start of trading, and the high was 27,750.56, reached in the afternoon. Advances outpaced declines by 556 to 310, with 167 issues unchanged.

Later in London, Japanese shares fell back, with the ISE/ Nikkei 50 index down 4.84 on the Tokyo close at 1,841.30.

In Tokyo, many analysts had expected large-capital steels and shipbuildings to rise after appearing the previous day on a leading brokerage house buy list. But investors, already cau-tious about the high price lev-els of such stocks, decided to wait for the release later in New York of preliminary fig-ures for second quarter US gross national product. Demand for Sony followed a

newspaper report, which said

NATIONAL ANO REGIONAL MARKETS

Figures in parentheses show number of stocks

per grouping

Australia (89)

Austria (16)

Belgium (63) Canada (129) Oenmark (39)

Finland (26)

France (129)

Ireland (18). Italy (102) ... Japan (456)

Spain (43) ... Sweden (35)

Switzerland (55 United Kingdom (325) USA (582)

Europe (1014) ..... Pacific Basin (674)

Euro-Pacific (1688) North America (711)

Europe Ex. UK (689) Pacific Ex. Japan (218)... World Ex. US (1890) ..... World Ex. UK (2147).....

World Ex. So. Af. (2412) World Ex. Japan (2016).

The World Index (2472).

Malaysia (36)

Mexico (13) ...... Netherland (33) ... New Zealand (21) . Norway (25) ..... Singapore (26) .... South Africa (60) .

West Germany (100)

Hong Kong (46) .

Sony shot u Y6,870, hitting a record high at the close for the second consecutive day. It had reached Y6,950 at one stage.

Spurred by Sony's advance, Fanuc jumped Y330 to Y6,680 and Kyocera Y160 to Y5,970. Matsushita Electric Industrial climbed Y20 to Y2,870. Nippon Steel was the most active stock for the day with 230.27m shares traded, falling

Y10 to Y760. Among carmakers, Honda Motor and Toyota Motor advanced Y50 to Y2,400 and Y100 to Y2,950 respectively, helped by rising demand for

passenger cars. Bond prices firmed in thin trading. Selling did not increase much, contrary to fears of some participants predicting a sharp improvement in the US GNP, and some dealers pnrchased to build np

inventories, pushing down yields slightly. The yield on the benchmark 5.0 per cent government bond due in December 1997 was locked in a narrow range of 4.955-4.980 per cent, finishing at

TUESDAY JULY 26 1988

Pound Sterling Index

127.85 73.64 98.38 107.36 109.98 113.04 79.76 64.55 93.13 120.75 62.06 140.45 131.89

138.64 91.29 68.73 106.85 112.61 105.14

126.64 101.85 \67.39 113.82 93.61

90.77 138.07 119.16 94.34 76.45 109.45 118.63 108.47 108.95 93.83

108.93

US Oollar Index

147.77

85.10 113.70 124.09 127.11

130.65 92.19 74.60 107.64 139.56 71.73 162.32 152.43

160.23 105.51 79.43 123.49 130.15 121.52

146.36 117.72 77.89 131.55 108.19

104.90 159.57 137.72 109.04 88.36 126.49

125.36 125.92 108.45

. 125.90

Change %

-1-9-9-1-1-9-9-1-9-9-9-9-9-1-9-1-9-9-1-9-9-1-9-9-1-9-1-9-9-1-9

-0.4 +0.1 -0.1 -0.1 -0.1 +0.1 +0.1 +0.1 +0.1

+0.0

dne after the close in Asia ings, was steady at Fl 33.70. Pacific markets, kept many investors on the sidelines and **ZURICH** saw speculative activity in the insurance sector volumes were low again. and closed marginally higher,

SINGAPORE gained ground after two days of declines as speculators and bargain hunt-ers sought Malaysian issues and low-priced shares.

The Straits Times industrial index rose 3.63 to 1,136.31, but trading was quiet pending the release of the US figures.

Sembawang Shipyard put on 17 cents to \$\$2.95 on news of its 45.4 per cent increase in interim group profits and its subsidiary, Sembawang Mari-

time, gained 10 cents to \$\$2.25. HONG KONG followed Tokyo higher in afternoon trading but volumes remained thin, again because of the wait for data from New York. The Hang Seng index rose 9.61 to 2,665.23 and turnover reached HK\$568m worth of

shares, against HK\$599m.

MONDAY JULY 25 1988

Sterling

128.83 74.06 98.12 106.92 110.29

110.29 113.38 79.25 63.89 92.52 121.04 61.41 139.15 132.06 137.44 90.30 68.17

90.47 136.89

118.34 93.50

75.99 109.70 117.84 107.57

108.12 93.24

108.11

Loca

Currency Index

122.88 82.39

109.75 108.78 122.33 120.75

120.75 90.12 71.38 107.95 136.36 72.79 135.31 155.18

96.31 133.60 118.72 108.07

85.42 112.36 118.27

114.77

114.81 104.23

1988 High

150.71 98.18 139.89 128.91 132.72

110.82

172.26 147.53 113.29 92.99 128.28 146.49 131.77

132.39 112.43

AUSTRALIA was again pulled lower by weak precious metals prices, with the All Ordinaries index off 6.9 at 1,612.7.

Dollar

150.02 86.25 114.26 124.51 128.44 132.04 92.29 74.40 107.74 140.95 71.51 162.04 153.79

160.05 105.16 79.39 124.19 131.86 124.03

147.91 118.13 78.72 132.53 108.00

105.35 159.41 137.80 108.88 88.49 127.75 137.23 125.27 125.91 108.58

2.34 125.90

FT-ACTUARIES WORLD INDICES

Gross Olv. Yield

3.73 0.73 1.65 3.60 3.14 3.84 1.72 2.13 2.33 3.66

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co..

Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Currency Index

122.12 82.10

110.33 108.59 122.19

120.56 90.71 72.16 107.84 136.32 73.66 135.95 154.28 400.84 101.10

63.17 113.02 122.26 92.40 136.33 111.22 74.63 113.82

108.19

96.66 134.17

119.20 108.23 86.00 111.89 118.70

115.16

104.42

115.03

insurers benefited from Tues-day's news of the takeover offer for insurance company La Suisse from Saurer Holding. The bid put the spotlight on other potential targets, with

Allianz of West Germany rumoured to be a possible rumoured to be a possible buyer, one analyst said. La Suisse bearers rose SFr725, or 8 per cent, to SFr9.650, against an offer price of SFr10,000 a share. Winter-thur found SFr25 to SFr5.400. Confectioner Jacobs Suchard climbed SFr55 to SFr7.705 ac

climbed SFr55 to SFr7,705 as tovestors continued to specu-late on a possible bid for Cad-burys of the UK. MILAN found interest

switching to banks, which have lagged the market recently. The Comit index was up 4.18 at 528.15 but volume remained fairly thin after

DOLLAR INDEX

1988 Low

91.16 83.72 99.14 107.06 111.42 Year ago (approx)

146.24 100.39

132.41 136.07 114.11

108.13

98.42 133.93

138.82 95.60 135.46 184.20 292.69 125.80 106.88

150.19 161.78 182.50

125.29

135.77 131.63 127.82 107.31 139.67

132.44 128.09

130.08

128.04

NEW ISSUE



## POSTIPANKKI LI

(Incorporated in the Republic of Finland with limited liability)

Swiss Francs 100,000,000 2 34 % Bonds 1988-1994 with Currency Warrants (1988-1991 at a fixed exchange rate of SFr1.40 per US\$1)

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Armand von Ernst & Cie AG Banco di Roma per la Svizzera Caisse d'Epargne dn Valais Fuji Bank (Schweiz) AG Gewerbebank Baden Handelsfinanz Midland Bank Hypothekar- und Handelsbank Winterthur Maerki, Baumann & Co. AG Morgan Grenfell Securities S.A. Sparkasse Schwyz HandelsBank NatWest Banca del Gottardo Wirtschafts- und Privatbank Algemene Bank Nederland (Schweiz) Merrill Lynch Capital Markets AG

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Dai-Ichi Kangyo Bank (Schweiz) AG S.G. Warburg Soditic SA

Commerzbank (Schweiz) AG Dresdner Bank (Schweiz) AG

Citicorp Investment Bank (Switzerland)

139.53 99.52 80.79 111.86 144.25 81.74 177.27 154.42 180.07 110.66 84.05 132.23 132.44 139.67 132.44 132.50 86.75 141.18 106.78 72.77 67.78 84.90 104.60 62.99 133.61 107.83 90.07 95.23 64.42 98.55 97.99 118.073 96.92 75.60 123.09 99.19 400.38 99.93 62.74 112.69 123.57 93.97 136.65 110.88 68.17 106.65 113.23 106.51 127.01 101.45 67.60 113.80 92.74 135.71 119.60 103.58 74.89 113.80 108.00 154.26 127.35

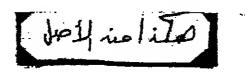
97.01

97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77

113.26 100.00

114.67 132.38 113.37 130.42

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 90.791 (Pound Sterling) and 94,94 (Local). Copyright, The Financial Times, Guidman, Sachs & Co., Wood Mackenzie & Co. Ltd.1987 Latest prices were unavailable for this edition.



July 1988

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